UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

UNCTAD

Annual **Report** 2010

UNCTAD is the United Nations focal point for trade and development, and for interrelated issues in the areas of finance, technology, investment and sustainable development. Our objective is to assist developing countries, especially the least developed countries, and countries with economies in transition, to integrate beneficially into the global economy. We also seek to help the international community promote a global partnership for development, increase coherence in global economic policymaking, and assure development gains for all from trade.

We conduct ahead-of-the-curve research and analysis on both long-standing and emerging development issues. We build consensus around efforts to promote national and international policies and strategies conducive to development. And we support countries in implementing their development strategies, helping them to overcome the challenges of globalization and seize the opportunities from it.

UNITED NATIONS

UNCTAD
in numbers

3	Pillars of work: - Consensus-building - Research and analysis - Technical cooperation
5	Main programmes of work: - Globalization and development strategies - Africa, the least developed countries, and special programmes - International trade in goods and services, and commodities - Investment and enterprise development - Technology and logistics
193	Member States
221	Partnerships forged with civil society organizations
242	Technical cooperation projects currently being implemented in more than 70 countries
34%	of total project expenditures allocated to least developed countries
$39 m	Amount of voluntary contributions for operational activities, of which $6.7 million was contributed by developing countries and countries with economies in transition (see also annex B for further information)
$68 m	Total regular budget for 2010, from the regular budget of the United Nations
7,254	articles collected from the international media with mention of UNCTAD
46	Years of promoting the development-friendly integration of developing countries into the world economy
1st	Geneva-based United Nations organization to initiate a carbon-neutral initiative

To find out more about UNCTAD, please visit ***http://www.unctad.org***

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Foreword by Supachai Panitchpakdi
Secretary-General of UNCTAD

Mr. Supachai Panitchpakdi

Many analysts concluded that 2010 was the year of recovery, after the world economy was pulled back from the brink of a 1930s-style depression. Swift and coordinated policy actions by the Group of Twenty Finance Ministers and Central Bank Governors – the G-20 - maintained just enough aggregate demand and liquidity in the global economy to avoid a prolonged crisis.

Hence, in 2010, the global economy grew at a rapid pace of 4.8 per cent, and developing countries – especially the large emerging economies – led the field in GDP growth. Nevertheless, even the positive signs of recovery are geographically variable, and UNCTAD is still concerned by a number of issues that remain unresolved in the global economic recovery – namely, the lack of employment opportunities being generated; the increasing risk of sovereign debt crises; high and volatile commodity prices; and the persistence of negative effects resulting from exchange rate fluctuations, including volatile capital flows. Lastly, I am also struck by the tendency for policy divergence at the international level, and a cooling of enthusiasm for policy coordination, embodied by the G-20's actions at the start of the global economic crisis.

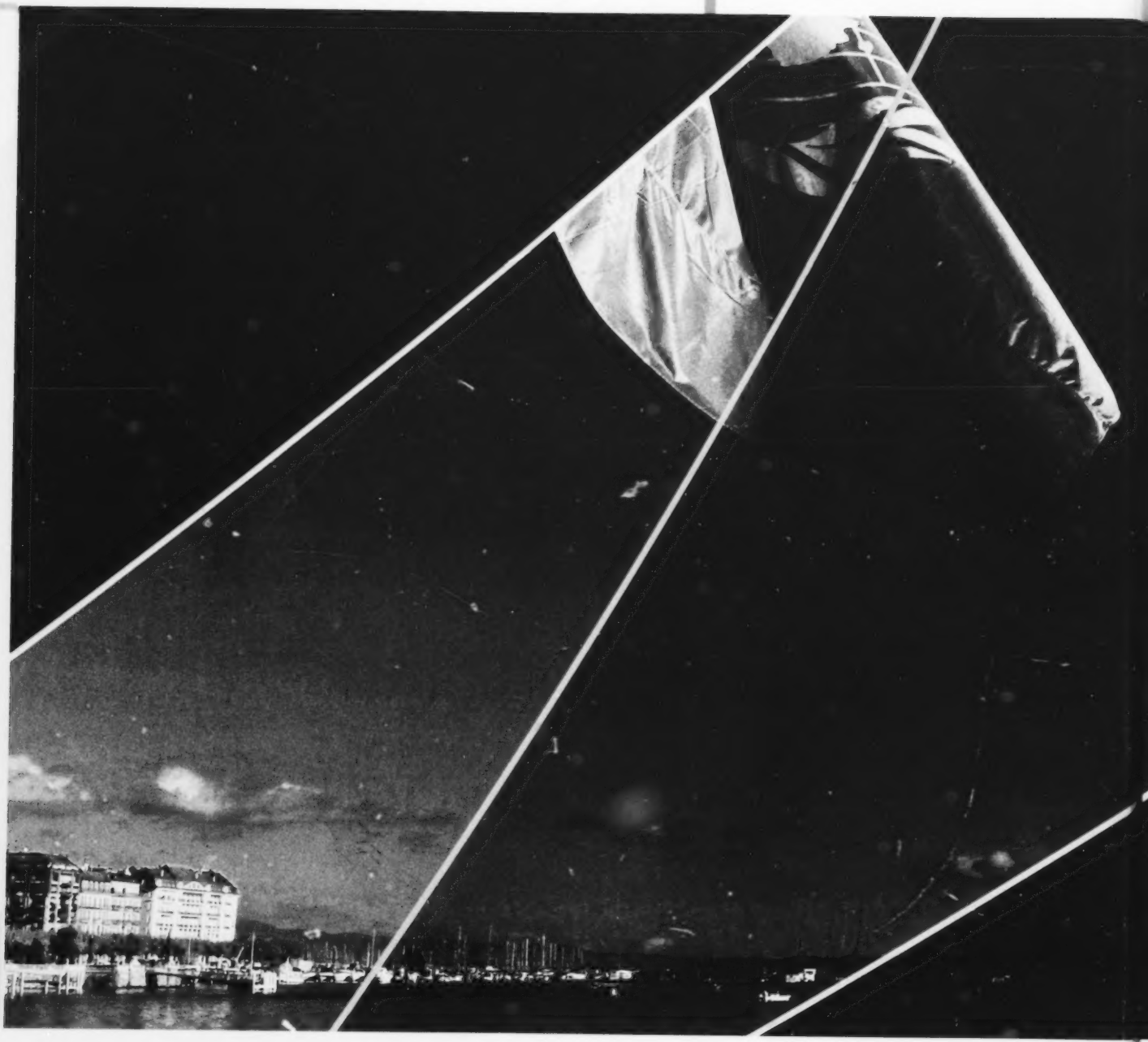
While indicators may concern us or give us hope, it is important to take a step back and look at the causes and culture that led to the crisis, and how we can rectify that

course in the future. Moreover, other threats, such as climate change and food security, pose huge challenges for the developing countries. UNCTAD has been a persistent critic of finance-led globalization, which has created immense (albeit unsustainable) wealth for some but has left behind a great number of people, including the majority of the 800 million citizens of the Least Developed Countries. It is a form of globalization that has also been indifferent to the externalities of growth, including industrial waste and pollution, energy consumption, and rising inequality; all of these factors will eventually put a brake on growth.

The UNCTAD Annual Report 2010 details some of UNCTAD's research and technical cooperation activities that suggest that another way is possible: development-led globalization. Already during the global economic crisis, we have seen governments acknowledge that intervention in the market may be necessary. UNCTAD's long-held view that a rebalancing is required at all levels – whether between debtor and creditor nations, between trade-surplus and trade-deficit economies, or between the State and the market – is starting to be recognized by a broader community. Such a rebalancing is one component that is needed to put growth in the real economy before the interests of the financial sector, and to create decent jobs on a large scale for the millions of people who were left behind in the previous era of globalization.

As we begin preparations for UNCTAD XIII, our four-yearly conference which will be held in Doha in 2012, we will continue our analysis of the above-mentioned issues and many more besides, all of which can be found in this annual report. These are some of the most important questions for development, for developing and industrialized countries alike. UNCTAD XIII provides a timely opportunity to debate and reflect on the lessons of the crisis and to present an alternative policy agenda for a new era of globalization.

About UNCTAD 1



"I'm one of those who believe, as Joseph Schumpeter said, that at the end of this first decade of the twenty-first century, one world is disappearing and another one is emerging. It could be a very fortunate, innovative world of changes in energy and transport and productive capacities, and progress for our peoples. But while this transition is taking place, there is a short term where the entire world, whether developed or underdeveloped, has to face uncertainty, and I'm sure that institutions like UNCTAD will play a key role, a crucial role, a positive role, in putting us on the right track towards prosperity and well-being."

Address to UNCTAD
by the President
of the Dominican Republic

His Excellency
Mr. Leonel Fernández

26 January 2011

About **UNCTAD**

The United Nations Conference on Trade and Development (UNCTAD) was established as an organ of the United Nations General Assembly in 1964 to provide developing countries with an institutional framework to address their development concerns and to help them boost economic growth through trade and the interrelated issues of finance, investment, technology and sustainable development.

UNCTAD has progressively evolved into an authoritative, knowledge-based institution whose work aims to help shape current policy debates and thinking on development, with a particular focus on ensuring that domestic policies and international action are mutually supportive in bringing about sustainable development. In particular, UNCTAD was commended for its contributions in response to the recent financial and economic crises.

The main objective of UNCTAD is to assist the integration of developing countries – especially the least developed countries (LDCs) and countries with economies in transition – into the global economy in a manner compatible with the development objectives of each country. UNCTAD supports developing countries in meeting their development objectives, including poverty eradication, so as to improve the well-being of their citizens and to address the opportunities and challenges of globalization. Furthermore, UNCTAD aims to help the international community implement the global development agenda, notably the internationally agreed development goals, such as the Millennium Development Goals (MDGs).

Working **with our member states**

UNCTAD's governing body, the Trade and Development Board, oversees the activities of the organization, and discusses emerging issues in between the quadrennial conferences. The Trade and Development Board meets in Geneva once a year in regular session, and up to three times a year in executive sessions to deal with urgent policy issues, as well as management and institutional matters. Delegates from UNCTAD's 193 member States participate in the annual meetings.

The Trade and Development Board is assisted by two commissions: the Trade and Development Commission, and the Investment, Enterprise and Development Commission, both established at UNCTAD XII in 2008. Both commissions convene meetings of leading experts to examine and offer technical advice on a range of key and emerging policy issues.

The year 2010 marked the mid-point between the quadrennial conferences – UNCTAD XII, which was held in Accra, Ghana, in 2008, and the upcoming UNCTAD XIII, to be held in Doha, Qatar, in 2012.

During its fifty-seventh annual session, held from 15 to 28 September 2010, the Trade and Development Board evaluated and reviewed UNCTAD's implementation of the Accra Accord – the mandates given by member States to UNCTAD in 2008 at UNCTAD XII.

Delegates at the fifty-seventh session of the Trade and Development Board, 15–28 September 2010, Geneva, Switzerland

Overall, UNCTAD was commended for its rapid response to the global financial and economic crises, and to other major global crises such as the food crisis. The Trade and Development Board deemed UNCTAD's ahead-of-the-curve analysis of the financial and economic crises, and its policy recommendations for the way forward, to be very useful in the formulation of development strategies for developing countries to cope with the crises.

For more information on the Trade and Development Board, please visit http://www.unctad.org/tdb.

Working with other partners

UNCTAD continued in 2010 to promote further cooperation with civil society via the second annual Public Symposium, held on 10 and 11 May with the theme "Responding to Global Crises: New Development Paths." The Symposium, which was organized in collaboration with the United Nations Non-Governmental Liaison Service and other partners, enhanced UNCTAD's outreach to civil society, and strengthened communication between non-state actors and policymakers. Over 300 participants gathered to discuss the enduring effects of and insights from the global economic and financial crises, while exploring new sustainable development paths.

Focusing on the need for significant reforms to the trade and financial systems in order to protect the interests of developing countries, speakers at the Symposium called for a much stronger emphasis on economic reforms that could increase employment. Furthermore, in view of the food crisis, participants called for government action for food security, while cautioning on the need for safeguards against inefficiency and corruption which work against the ultimate goal of supplying food at reasonable prices to populations.

For more information on the 2010 Public Symposium, please visit http://www.unctad.info/en/Public-Symposium-2010

Contribution towards progress on the Millennium Development Goals

UNCTAD aims to help the international community to implement the internationally agreed development goals that come from global conferences. Accordingly, the organization contributes towards meeting the Millennium Development Goals in a number of areas.

As a follow-up to the Millennium Summit held in 2000, and in preparation for the high-level plenary meeting of the United Nations General Assembly on the Millennium Development Goals in September 2010, the Trade and Development Board held its forty-ninth executive session on 9 June 2010 to discuss, among other things, issues surrounding the MDGs. At this meeting, the Trade and Development Board emphasized the importance of implementing new development paths to accelerate progress towards meeting the MDGs, stating that this required heightened ambition and creative efforts. Delegates agreed that a forward-looking agenda in support of the MDGs would need to promote new and more inclusive sources of growth and development. In the financial crisis, developed countries had encountered long-standing challenges faced by developing countries, in particular sovereign indebtedness. This is an area where UNCTAD has been pushing for bold solutions for years; the way forward will require novel solutions to address these shared challenges.

Did You Know?

The three dimensions of UNCTAD's work

To attain its objectives, UNCTAD, within its mandate, (a) builds consensus among governments and other key players; (b) conducts research and analysis on key and emerging development issues; and (c) provides technical assistance to help developing countries and countries with economies in transition in implementing development strategies to strengthen their integration into the global economy and to achieve sustainable growth and development.

Promoting

the advancement and empowerment of women

Gender equality and the empowerment of women are considered fundamental for poverty reduction, economic and social development, and reaching the Millennium Development Goals. The importance of this issue is highlighted in MDG-3 on promoting gender equality and empowering women.

The current focus of UNCTAD's work in this area includes supporting developing countries in considering gender in their trade policy formulation and implementation, as well as supporting the setting-up of an enabling environment for entrepreneurs.

In this regard, UNCTAD contributed to the high-level panel discussion on the theme "Gender and Science and Technology," held for the first time on 19 May 2010 at the thirteenth session of the Commission on Science and Technology for Development. This was a contribution to the Economic and Social Council (ECOSOC) 2010 Annual Ministerial Review on "Implementing the Internationally Agreed Goals in regard to Gender Equality and Empowerment of Women". The Commission on Science and Technology for Development has historically played a leadership role in examining gender and development, as the only functional commission of ECOSOC that instituted a gender advisory board – a gender and science and technology body set up in 1995.

2010 Public Symposium, 10–11 May 2010, Geneva, Switzerland

The panel at the thirteenth session of the Commission on Science and Technology for Development stimulated a dialogue on strategies and methods to involve women in the process of technology development, both in terms of easing access to a career in science and technology and building women's interest in doing so. Participants called for governments to make it viable for women to participate in science and technology endeavours, so that they may harness the benefits of scientific and technical information. They also found that science education of girl children at an early age is an effective strategy for stimulating interest by women in pursuing higher education in the disciplines of engineering, science and mathematics.

Assistance to Haiti

Following the devastating earthquake in Haiti in January 2010 and the resulting humanitarian crisis, UNCTAD joined United Nations–wide recovery efforts with a focus on the rebuilding of Haiti's capacities in the area of economic governance. Two of UNCTAD's programmes – the Automated System for Customs Data (ASYCUDA) and the Debt Management and Financial Analysis System (DMFAS) – have long assisted Haiti and these initiatives are more relevant than ever in the country's current efforts to rebuild.

In the aftermath, UNCTAD was the first to call for the cancellation of Haiti's debt. Given the scale of the destruction, combined with Haiti's long and difficult history of external indebtedness, UNCTAD suggested that debt cancellation, as well as development assistance in the form of grants rather than loans, was necessary for Haiti to attain sustainable recovery. In the months following the earthquake, the International Fund for Agricultural Development – a specialized United Nations agency dedicated to eradicating poverty and hunger in rural areas of developing countries – approved a debt-relief package for Haiti. In addition, the World Bank offered support in the form of grants, investments from the International Finance Corporation, and the total cancellation of Haiti's remaining World Bank debt.

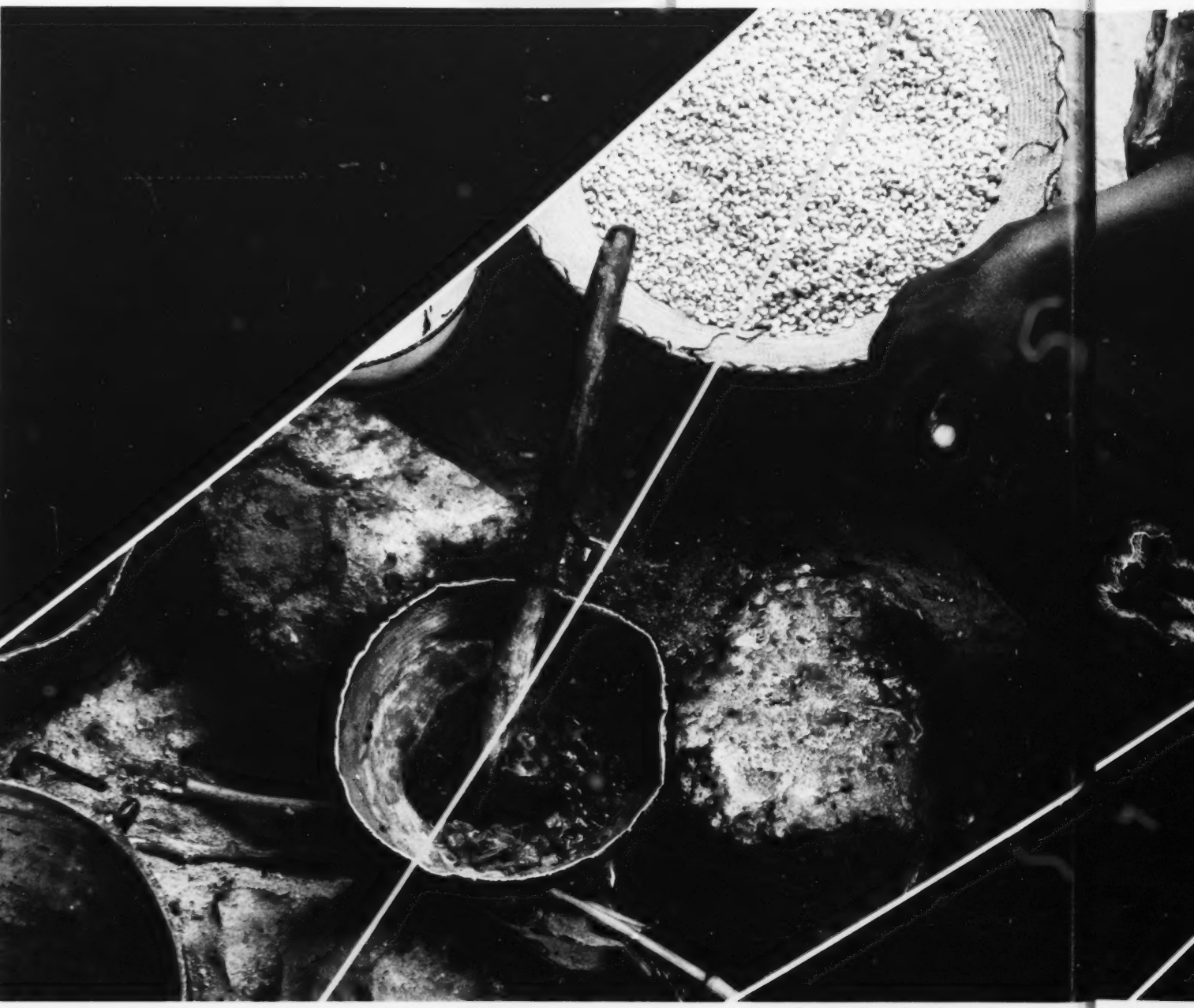
To assist Haiti with Customs modernization and reform, ASYCUDA has been implemented in Haiti since 2008. A few days after the earthquake, the national ASYCUDA team – with assistance from Customs officers and from recruits through the United Nations Development Programme (UNDP) – was able to preserve and move the equipment from the information centre and re-establish ASYCUDA at the headquarters in Port-au-Prince. This has helped to increase fiscal revenues and allow operations to resume. UNCTAD maintains its ASYCUDA activities in the country, to continue building on the results already achieved in the areas of trade facilitation and Customs modernization, and thereby to contribute to the reconstruction of the country. By the end of 2010, ASYCUDA had been implemented in 10 Customs sites in Haiti. To find out more about ASYCUDA, see page 54.

DMFAS has been assisting the Government of Haiti to better manage its external liabilities since 1983. In the two years preceding the earthquake, with financial support from the World Bank, the DMFAS programme organized a series of activities with the debt management teams of the Ministry of Finance and the Central Bank, which culminated in the production of the country's first draft debt statistical bulletin. The DMFAS programme is now actively negotiating a new project that aims to rebuild the Ministry's debt management capacity, in part thanks to information contained in the DMFAS debt database at the Central Bank that survived the destruction caused by the earthquake.

In the area of investment promotion, UNCTAD works with both Haiti and the Dominican Republic to develop a joint investment promotion strategy. In 2010, UNCTAD's advisory services to Haiti and the Dominican Republic included a fact-finding mission to advise both Governments on the expansion of border-zone industrial parks. Following this, a project proposal and fundraising materials aiming to provide medium- to long-term relief were developed and presented during the World Investment Forum 2010. The initiative has attracted great interest from investors and donors, with further investment promotion efforts being developed pending the political stabilization of Haiti.

Customs officers in Haiti using ASYCUDA's online system

Tackling Persistent **and Emerging Challenges** 2



Message from the Director,
Division on Globalization and Development Strategies:

Mr. Heiner Flassbeck

Throughout 2010, and more than any other year, I have had the privilege of working with a highly dedicated team of economists and statisticians during one of the most challenging periods in UNCTAD's recent history.

Just as the still-unfolding world financial and economic crisis has occupied policymakers and the global public alike, we have devoted an increasing share of resources and attention to understanding the crisis and its implications, as well as helping in elaborating the necessary responses at all levels – global, regional and national. In doing so, we manage a work programme that effectively spans all three pillars of UNCTAD's role in global governance.

The global economic crisis highlighted the need to develop capacity to provide easy access to accurate and timely statistics on the linkages between globalization, trade, and development. Our research and analysis on the crisis, initiated in September 2007, went deeper in the Trade and Development Report 2010, with a focus on the appropriate macroeconomic policy stance needed in developing and developed countries alike, emphasizing a pro-growth, pro-labour framework to weather the crisis and promote sustained recovery. We have further explored our core mandate on policy coherence and interdependence by examining the role of regional monetary cooperation and integration in Latin America. We have also responded to new demands for UNCTAD's technical engagement in G-20 intergovernmental processes, especially in the areas of global imbalances, commodity price volatility, and reform of the international monetary system.

In our continuing research on external debt of developing countries and the emerging sovereign debt crisis, we have maintained UNCTAD's leading role in the United Nations system on these issues. In a special area of work, we continue to provide member States with an annual report and studies on the state of the Palestinian economy and its prospects, stressing the need for a development-driven approach to trade policy and state formation. UNCTAD provides substantive servicing to discussions and intergovernmental negotiations in the United Nations General Assembly on external debt and development, and is also coordinating efforts towards a new consensus on sovereign debt crisis resolution and responsible lending and borrowing. Moreover, our technical assistance programme for effective debt management continues to attract strategic donor commitment and developing-country ownership. It also helps to strengthen the resilience and improve management of public finances in developing countries in the context of addressing the risks of new external financial shocks.

Looking ahead, it is clear that recovery from the recession will not be enough to ensure the sustained, stable and balanced growth of the global economy. Tackling the core factors that led to this crisis will be at the top of the policymaking agenda around the world. While it is vital that governments in developed countries take bold steps to ensure that the recent failures in financial institutions do not re-emerge, developing countries need to strengthen their domestic productive capacity and focus more on nurturing domestic drivers of demand and growth. Coordinated action in this direction will help to ensure that these countries enjoy a more balanced development path and a coherent integration in the global economic, financial and trading system.

Trade and Development Report 2010: Employment, Globalization and Development

UNCTAD's Trade and Development Report 2010 – Employment, Globalization and Development focuses on the need to make employment creation a priority in economic policy. Unemployment is the most pressing social and economic problem of our time, especially in developing countries, because it is closely related to poverty. The fallout from the global crisis has exacerbated what were already sluggish labour markets in most countries.

The Report warns that a premature withdrawal of macroeconomic stimulus measures to expand demand in developed countries may trigger a deflationary spiral in the global economy, with attendant slumps in growth and employment. Furthermore, the pattern of recovery resembles that of the imbalanced global demand growth that contributed to the build-up of the crisis. The lack of macroeconomic policy coherence among the major economies causes global current account imbalances to re-emerge. This, together with other remaining systemic shortcomings, such as insufficiently regulated financial markets, carries the danger of a double-dip recession.

Moving towards recovery, it is becoming clear that not all countries can rely on exports to boost growth and employment. A shift in focus to domestic demand–led growth is necessary in all economies in order to prevent the recurrence of imbalances similar to those that contributed to the outbreak of the global financial crisis.

UNCTAD draws attention to the importance of strengthening the macroeconomic policy framework to promote sustainable growth and employment creation in both developed and developing countries.

Job creation, to absorb surplus labour, would result from a virtuous circle of high investment in fixed capital leading to faster productivity growth with corresponding wage increases that enable a steady expansion of domestic demand. This implies a profound rethinking of the paradigm of export-led development based on keeping labour costs low, especially for developing countries. Policies should be based on establishing a balanced mix of domestic and external demand.

The Trade and Development Report 2010 makes recommendations for a reorientation of macroeconomic policies and for institution-building aimed at strengthening domestic demand and fostering price stability. Appropriate monetary and fiscal policies should be combined with incomes policies, which ensure that mass incomes rise in line with average productivity growth and a national inflation target. The Trade and Development Report 2010 suggests that adoption of such an incomes policy would involve a set of instruments and institution-building measures, such as collective bargaining arrangements among workers' and employers' associations, minimum wages, or public employment schemes.

"Rightly, UNCTAD pitches for a strategy of employment generation based on expansion of domestic demand in line with productivity growth which would bid fair to succeed, if it is embedded in a favourable coherent global policy framework, a point both the domestic authorities and global communities should take note of."

Hindu Business Line, 16 September 2010

To read more of the Trade and Development Report 2010, please visit http://www.unctad.org/tdr.

Designing effective debt **and development finance strategies**

UNCTAD serves as an important forum for member States to discuss effective debt and development finance strategies that include country-specific considerations. With increasing sovereign debt troubles in the world, the relevance of UNCTAD's work on promoting responsible sovereign lending and borrowing has become more pronounced, and has been garnering growing support from developed and developing countries alike. This work is aimed at developing a set of guidelines and criteria for assessing the legitimacy of sovereign debt and is scheduled to be publicized in 2011, to be followed by an intensive international consensus-building process towards its adoption.

In 2010, UNCTAD continued to play a leading role in the global debate addressing the challenges posed by the economic crisis to the debt sustainability of developing countries. In proposing global policy solutions to the crisis, UNCTAD was the first to call for a debt moratorium for developing countries to provide breathing space to respond to the crisis. UNCTAD, through a policy brief, also flagged the threats posed to flows of Official Development Assistance (ODA) in the wake of the crisis, and their potential impact on development financing. In addition to the policy brief, UNCTAD highlighted the issues in the United Nations General Assembly report on debt which was endorsed in the General Assembly debt resolution (A/64/191).

Last year saw the release and implementation of version 6 of its debt management software – the Debt Management and Financial Analysis System (DMFAS). This web-enabled software caters to the latest institutional and operational needs of government debt management offices, and to the use of domestic and external debt instruments. By the end of 2010, DMFAS 6 – the latest version – was being used by Argentina, Egypt, Panama and the Bolivarian Republic of Venezuela.

In 2010, 56 countries, including one new country from 2009 (Oman), were using DMFAS for the day-to-day management of their sovereign debt. Overall, 102 capacity-building missions took place, benefiting more than 500 debt officials. This included assistance to governments in performing regular debt operations, in producing reliable debt information and statistical bulletins, and in producing basic debt analysis (debt portfolio reviews), in support of overall analysis and policymaking. For example, DMFAS constitutes a major element of an integrated system being finalized by the Ministry of Economy and Finance of Burkina Faso. With its implementation phase planned for 2011, the incorporation of DMFAS into this integrated system will significantly strengthen the Government's capacity to harmonize and coordinate external assistance in line with the principles set out in the Paris Declaration. This system is unprecedented in the region, and could serve as a model for other countries.

For further information on the DMFAS Programme, please visit http://www.unctad.org/dmfas.

Development statistics **and information for economic development**

The global economic crisis emphasized the need for easy access to accurate and timely statistics. To this end, UNCTAD has enhanced its outreach efforts to make its statistics available through a number of dissemination channels. Along with the annual Handbook of Statistics, the compact statistical reference book entitled Development and Globalization: Facts and Figures, and the statistical annexes to UNCTAD's flagship reports, a new free online database, named unctadSTAT, was launched in 2010. unctadSTAT provides regularly updated, user-friendly data, and it has been very well received by users; over the first four months, the website received nearly 78,000 visitors and over 2.8 million page views.

UNCTAD led the commemoration of the first World Statistics Day, held on 20 October 2010, by convening a conference whose theme was "Measuring Globalization: the Geneva Contribution". The conference built a solid basis for future common projects addressing the issues of (a) visibility and support for statistical projects; (b) the ties between the producers and users of statistics; and (c) a pedagogical framework to make statistics easily understandable and readable.

For more information on UNCTAD's statistical programme, please visit http://www.unctad.org/statistics.

Assistance
to the Palestinian people

Drawing on its intimate knowledge of the problems of the Palestinian economy, UNCTAD continues to support Palestinian efforts for capacity development and institutional development. These are aimed at building a viable economy capable of sustaining the Palestinian people and responding to their evolving needs.

A report published in 2010 analysed trends in the economy of the Occupied Palestinian Territory, highlighted the effects of the multiple constraints on Palestinian development and the problems facing the tradable goods sector, and offered recommendations to the international community and the Palestinian Authority on the type of policies needed to overcome these problems and place the economy on a path of sustainable development. At the fifty-seventh annual session of the Trade and Development Board, there was commendation for UNCTAD's report which reiterated to the global community the Palestinian people's right to development. The Trade and Development Board agreed to intensify support to the Palestinian people to alleviate the adverse economic and social situation in the Occupied Palestinian Territory.

In 2010, substantial achievements were made towards modernizing the Palestinian Customs Administration and its processes. Following the training of 48 Customs employees in 10 major areas – including clearance procedures, information technology (IT), Customs management, Customs procedures, ASYCUDA reports and direct trader inputs – the Palestinian Customs Administration has been able to implement new Customs procedures and to interface with the Israeli Customs system in better ways, leading to more effective Customs control and enhancing Customs revenues significantly.

UNCTAD has also been working to facilitate regional trade integration between the Occupied Palestinian Territory and four neighboring Arab countries. As a result of collaboration between the economies targeted, and between regional and international development agencies, five case studies (with policy recommendations relevant to employment generation and poverty reduction) and a quantitative study were finalized, and two expert group meetings and three workshops were held. The five case studies and the quantitative study will be translated, and published in a volume in English and Arabic, which will contribute towards improving economic and trade policymaking capacities, as well as increasing the utilization of international statistical methods and standards in the economic and trade policymaking processes of Arab economies in North Africa and Western Asia.

To read more about UNCTAD's Assistance to the Palestinian People programme, please visit http://www.unctad.org/palestine

Regional workshop on debt portfolio analysis, Bali, Indonesia, 22–25 June 2010

Presenting certificates to Palestinian diplomats who completed the first training programme on the United Nations system in Geneva, 5 October 2010

3 Contribution Towards **the Eradiction of Extreme Poverty**

Message from the Officer-in-Charge,
Division for Africa, Least Developed Countries and Special Programmes:

Ms. Jo Elizabeth Butler

We work to foster development and poverty alleviation in Africa, in the least developed countries (LDCs), and in other groups of countries in special need – namely the landlocked developing countries (LLDCs), small island developing States (SIDS), and other structurally weak, vulnerable and small economies (SWVSEs).

The year 2010 was both intensive and productive, particularly as we were actively supporting the preparatory processes for the Fourth United Nations Conference on the Least Developed Countries (LDC-IV). The Least Developed Countries Report 2010 – which focused on the need to change business-as-usual and to introduce a new international development architecture for sustained and inclusive development at the core of current international relations – served as a major input to the policy debate at LDC-IV, as the international community faced the urgent challenge of combining international support measures for LDCs with a new international framework for policy and cooperation that would be capable of delivering more stable, equitable and inclusive development. Furthermore, UNCTAD's two preparatory events to LDC-IV, which were both held in 2010, stimulated discussions and drew attention to building productive capacities and to sustainable tourism for development.

The Economic Development in Africa Report 2010 calls for enhanced South–South cooperation in a way that would lead to structural change. This report has been well received and praised for its thought-provoking analysis and policy recommendations.

We provided technical assistance to enhance institutional and productive capacities at the domestic level. As mandated by its member States, UNCTAD intensified and strengthened its trade-related technical assistance to LDCs through the Enhanced Integrated Framework. This resulted in an increase in the number of requests by LDCs for assistance related to trade mainstreaming and to designing and developing trade-related technical assistance projects, in recognition of the potential contribution towards their development.

As a result of intensified efforts to broker transit traffic agreements between LLDCs and their transit partners, we managed to restore discussions for a transit transport cooperation agreement between and among the People's Republic of China, Mongolia, and the Russian Federation. We will spare no effort to make the draft transit agreement operational in 2011, and to launch substantive preparations for the review conference of the Almaty Programme of Action.

Other activities in 2010 included assisting in the upcoming graduation of Maldives from LDC status and facilitating its smooth transition process, as well as strengthening UNCTAD's work on export commodity diversification with case studies in horticulture.

Least Developed Countries Report 2010: Towards a New International Development Architecture for LDCs

«UNCTAD's LDC Report has been a comprehensive and authoritative source of socio-economic analysis and data on the world's LDCs since 1984.»

Dennis Rodgers, Associate Editor, European Journal of Development Research

The 2010 report calls for the creation of a new international development architecture (NIDA) for the LDCs, which enables new, more inclusive development paths in LDCs. This requires the State to play a more developmental role in generating favourable conditions for job creation, capital accumulation, technological progress and structural transformation, as argued in the 2009 report.

Various LDC-specific international support measures have already been adopted to support LDCs' development and eventual graduation from the category. But the major thrust of recent measures has been in the sphere of trade, particularly to improve market access. Moreover, these measures have not often been associated with the necessary financial and institutional means for effective implementation, and they have worked at cross-purposes with general economic regimes (such as in the areas of agricultural subsidies, intellectual property rights and debt relief). The Report thus argues that these measures have had largely symbolic, rather than practical, developmental effects.

The NIDA for LDCs is defined as a new architecture of formal and informal institutions, rules and norms, including incentives, standards and processes, which would shape international economic relations for sustained and inclusive development. It would be constituted through (a) reforms of the global economic regimes which directly affect development and poverty reduction in LDCs; and (b) the design of a new generation of special international support mechanisms for the LDCs, aimed at addressing their specific structural constraints and vulnerabilities.

The Report proposes five major pillars of the NIDA: finance, trade, commodities, technology, and climate change mitigation and adaptation. It identifies eight principles for the design of the NIDA that can underpin a forward-looking agenda for action in all five pillars.

"This well-analysed and creative report from UNCTAD ought to be required reading for everyone involved, including many of the bright economists of the World Bank and the IMF who often think that the only international analysis of quality comes from within the Bretton Woods institutions themselves."

Sir Richard Jolly, University of Sussex

To read more about the Least Developed Countries Report 2010, please visit http://www.unctad.org/en/docs/ldc2010_en.pdf.

Economic Development in Africa Report 2010 South–South Cooperation: Africa and the New Forms of Development Partnership

The increasing role of large developing countries in global trade, finance, investment and governance, coupled with their rapid economic growth, has stimulated debate on what the implications of this may be for Africa's development. UNCTAD's Economic Development in Africa Report 2010 examines recent trends in Africa's economic relationships with other developing countries, and the new forms of partnership that are stimulating those relationships.

The Report discusses the variety of institutional arrangements that are guiding and encouraging these new economic relationships. It provides up-to-date information on trade between Africa and other developing countries outside Africa, as well as on official financial flows and foreign direct investment into Africa from those countries. Finally, it assesses important policy issues that arise from the new relationships in each of these areas.

The Report places the new relationships and multiplying partnerships within the context of South–South cooperation. It argues that South–South cooperation opens new opportunities for Africa, and that the main challenge facing African countries is how to harness these new relationships more effectively to further their long-term development goals. Policies are needed at the national level to ensure that Africa–South cooperation does not replicate the current pattern of economic relations with the rest of the world, whereby Africa exports commodities and imports manufactures. In this regard, African countries and their developing-country partners should manage their growing and evolving relationships in a manner that supports and enhances technological progress, capital accumulation and structural transformation in the region.

The Economic Development in Africa Report 2010 formed the basis for discussions and debate at the fifty-seventh session of the Trade and Development Board, at a high-level panel session entitled "South–South cooperation: Africa and the new forms of development partnership." Participants welcomed the recommendations of the Report, and urged UNCTAD to use these to fuel debate and to enhance collaboration between Africa and transition economies.

To read more on the Economic Development in Africa Report 2010, please visit http://www.unctad.org/en/docs/aldcafrica2010_en.pdf.

The need
for export diversification

Horticultural products – particularly vegetables, fruit, and cut flowers – have increased steadily in Africa and become the single largest category in agricultural trade, accounting for more than 20 per cent of world agricultural exports. Horticultural exports from sub-Saharan Africa have expanded and now exceed $2 billion, but represent only 4 per cent of the world's total exports. Although the European Union is the main market for African produce, regional markets show great potential. These figures demonstrate that horticulture is an extremely promising source of export diversification and poverty reduction for many LDCs, especially in Africa.

In this regard, in 2010, UNCTAD conducted sectoral reviews and assessments of successful and less successful cases of non-traditional exports, notably in horticulture, in Ethiopia, Gambia, Mali, Rwanda, Senegal and Zambia, as well as in non-LDC African countries (Ghana and Kenya). The research revealed that, despite the numerous and complex obstacles they face, LDCs have considerable potential to become successful exporters not only in traditional exports but also in non-traditional exports such as horticulture, fishing and tourism. The policy lessons and best practices derived from these case studies can be found in the publication UNCTAD's Appraisal of the Implementation of the Brussels Programme of Action for the Decade 2001–2010: Assessment of Progress and Lessons for the Fourth United Nations Conference on LDCs (LC-IV) and Beyond.

To read more of the report, please visit http://www.unctad.org/en/docs/aldc20092_en.pdf.

Responding to the trade
development needs of LDCs

UNCTAD's support to the Enhanced Integrated Framework (EIF) has been continually refined to address the changing needs of its beneficiaries. Originally developed to address capacity-building and supply-side problems of LDCs, the EIF now includes Diagnostic Trade Integration Studies, and trade mainstreaming in Poverty Reduction Strategy Papers. It allows for increased financial resources, strengthens in-country capacity for ownership and implementation of the Framework, and enhances governance of the initiative.

UNCTAD organized three regional workshops involving five French-speaking LDCs (the Central African Republic, Chad, the Democratic Republic of the Congo, Madagascar and Niger), the Pacific Islands, and Central and West African LDCs and Haiti, to help strengthen domestic technical and institutional capacities in the areas of trade and national ownership of the EIF process. Based on UNCTAD's research, the workshops focused on (a) how trade can best contribute to reducing poverty in the LDCs; and (b) how best to utilize the EIF to mainstream trade and to provide help on how to formulate hands-on projects for EIF funding. The workshops offered a platform for participants to share experiences and identify best practices. In addition, twelve policymakers from Sierra Leone participated in a study tour in December 2010, which was aimed at strengthening their capacity for trade policy formulation and trade information.

For further information on the Enhanced Integrated Framework, please visit http://www.enhanced if.org

Helping small island **developing States gain increased attention and build resilience**

UNCTAD has been instrumental in bringing to the attention of United Nations member States the urgency of helping SIDS to build resilience to avoid further marginalization from the global economy. In a resolution resulting from the mid-term review of the implementation of the Mauritius Strategy for SIDS (Mauritius + 5), the United Nations General Assembly in September 2010 called for "improved and additional measures ... to more effectively address the unique and particular vulnerabilities and development needs" of SIDS (resolution 65/2, paragraph 33).

In the history of UNCTAD's advocacy on behalf of SIDS, a long period of analysis of the challenges faced by these countries (between 1974 and 1994) was followed by an era of country-specific focus on their vulnerabilities (between 1994 and 2010). With resolution 65/2 calling for responses to this fragility, 2010 stands out as the starting point of a new phase, in which the need for certain forms of special treatment is gaining recognition. Special international support measures for SIDS would be particularly welcomed, in response to island-specific issues, in the areas of concessionary financing and institutional capacity-building.

UNCTAD has taken an active role in the international debate on "smooth transition" measures for countries graduating from LDC status. This work substantially benefited Cape Verde and Maldives in the context of their graduation from LDC status in 2007 and 2011 respectively, by helping both countries formulate their smooth transition strategy. In each case, this involved conducting an inventory of the modalities of special treatment that were deemed crucial for the country, such as preferential market access, concessionary financing and institutional capacity-building, and advising national authorities on ways to secure continuation of these benefits beyond the graduation date.

Preparing for **the Fourth United Nations Conference on the Least Developed Countries**

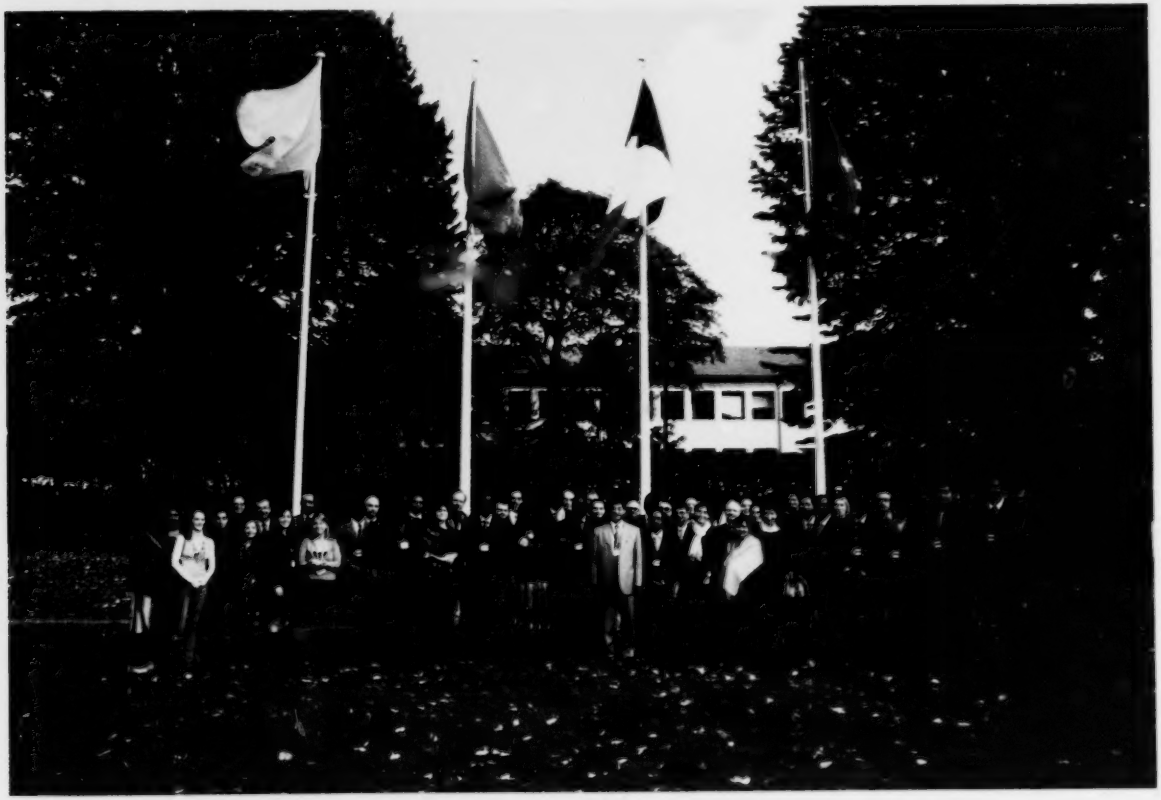
To facilitate intergovernmental preparations and to raise the profile of the Fourth United Nations Conference on the Least Developed Countries (LDC-IV), UNCTAD organized two pre-conference events: "Sustainable Tourism for Development in the LDCs" and "Building Productive Capacities in the LDCs for Inclusive and Sustainable Development".

The first pre-event, "Sustainable Tourism for Development in the LDCs", was held on 12–14 October 2010 in Caen, France. It highlighted the growing importance of international tourism as a form of economic specialization that leads to socio-economic progress and to poverty reduction. Tourism represents a key sector for many LDCs, having grown at an average annual rate of 3 per cent during the 2000s in Africa. Furthermore, tourism has proven to be shock-resistant, as the recent global economic crisis has shown. This sector continues to be burdened by external and internal constraints that reduce its dynamism and future prospects. To ensure the sustainability of the tourism sector, a public–private dialogue is needed to create the intersectoral linkages necessary to increase the production of the sector, leading to poverty alleviation through employment creation.

The second pre-conference event, "Building Productive Capacities in LDCs for Inclusive and Sustainable Development," was held on 27–29 October in Geneva, Switzerland. Building on its ongoing work on productive capacity-building, UNCTAD delivered the message that the development of productive capacities was critically important to reducing structural weaknesses in LDCs, to promoting sustainable growth, to enhancing LDCs' beneficial participation in international trade, and to achieving substantial poverty reduction. The role of trade, foreign direct investment and enterprise development in fostering structural change – as well as how science, technology and innovation

can enhance productive capacities – was analysed and discussed. The heterogeneity of the LDC category implies that different productive capacities development strategies are possible. A major lesson from past experience is that focusing on the development of productive capacities is an effective way to achieve sustained economic growth and beneficial integration into the global economy, as well as mass poverty reduction. Participants called on LDC-IV to promote action in the direction of more effective LDC-specific international support mechanisms, which should be more geared to developing the productive capacities of LDCs, via more development-friendly global economic regimes which affect development in LDCs, and via enhanced South-South development cooperation.

For more information on the Fourth United Nations Conference on the Least Developed Countries, please visit http://www.un.org/wcm/content/site/ldc/home.



Participants in the meeting on Sustainable tourism for development in the LDCs,12–14 October 2010, Caen, France

Helping Countries
Benefit from Trade

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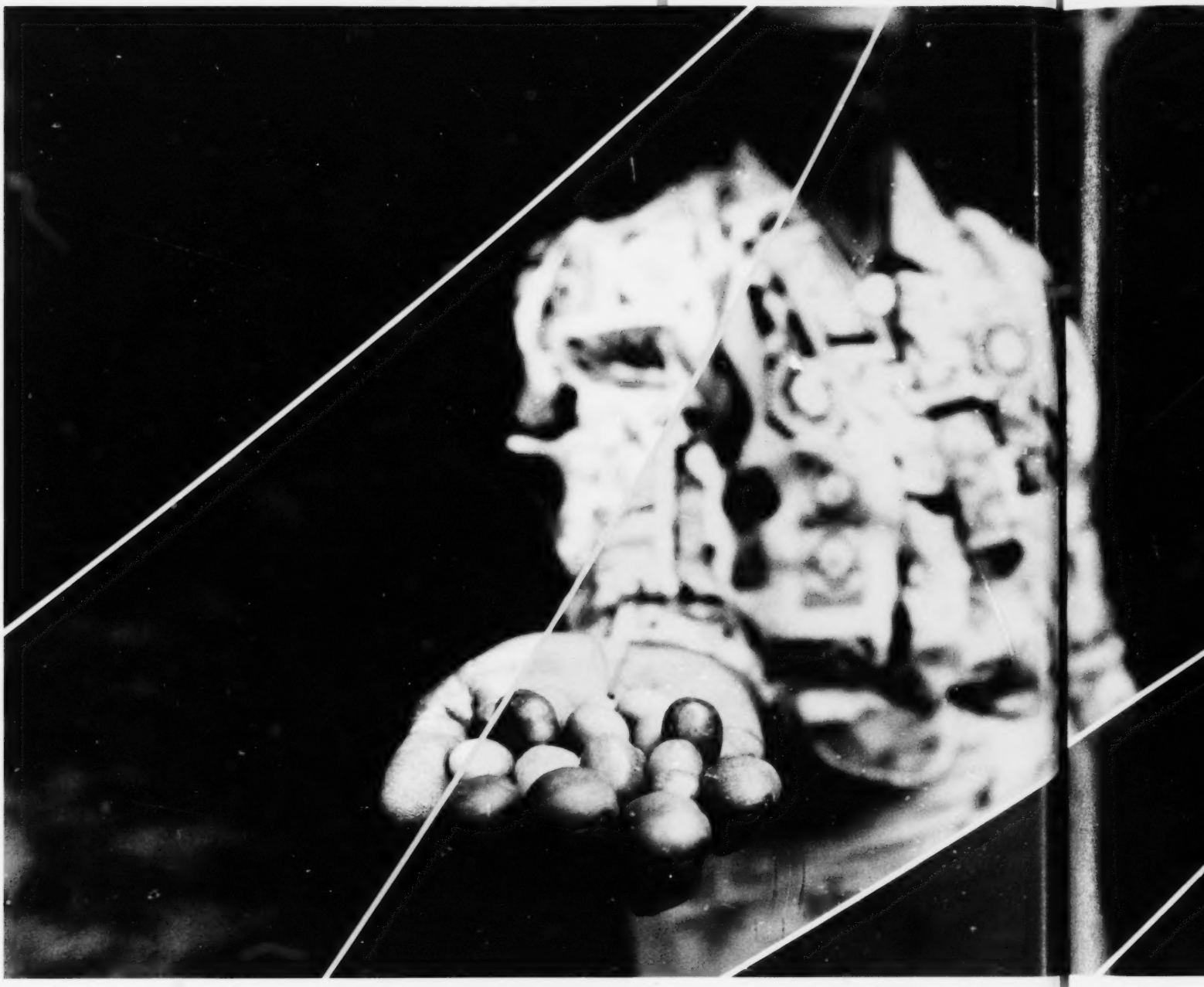
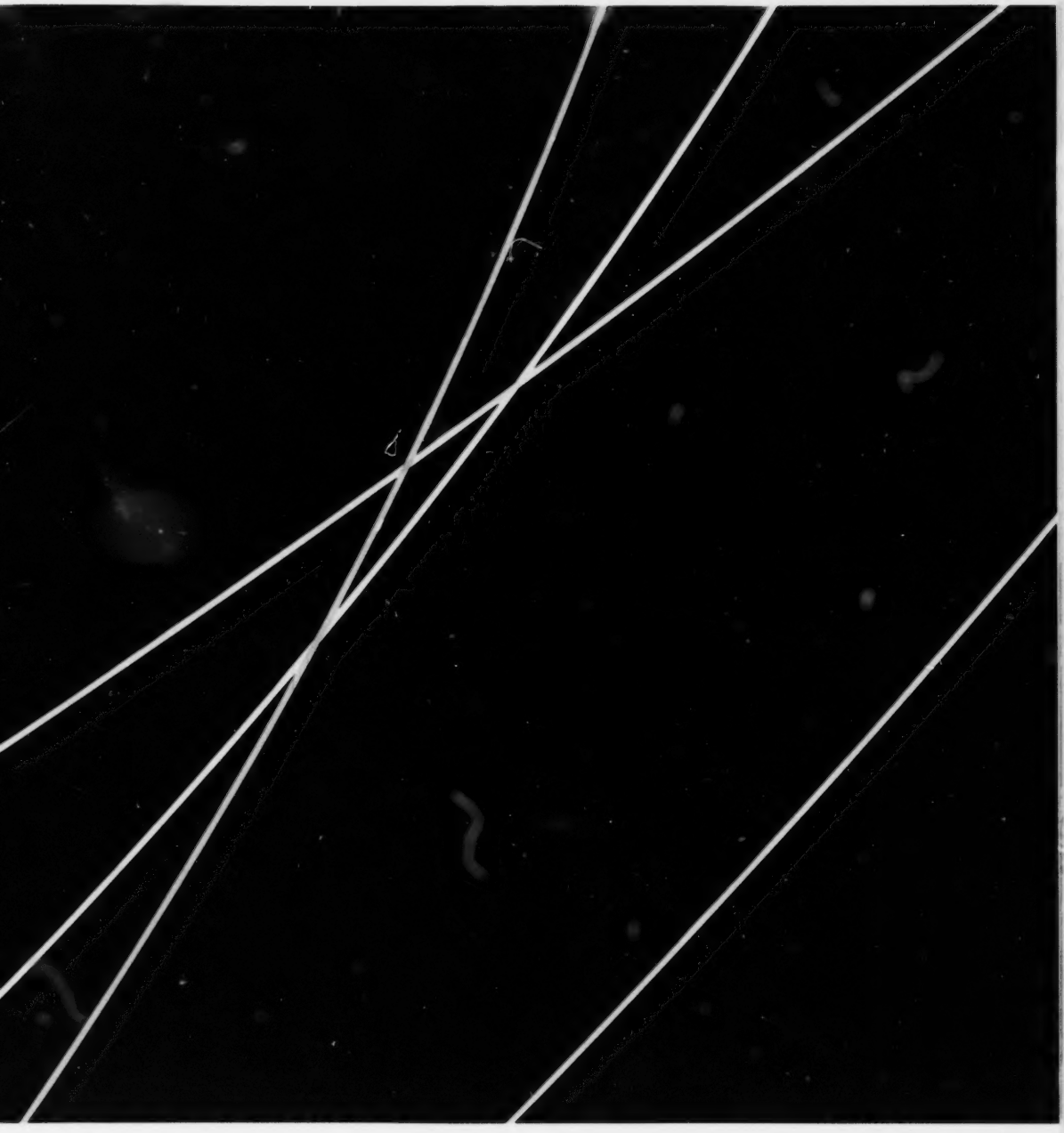




Message from the Officer-in-Charge,
Division on International Trade in Goods and Services, and Commodities:

Ms. Mina Mashayekhi

2010 was an eventful year. We worked hard to contribute to countries' policies and strategies to promote inclusive and sustainable development through trade. There were two particularly notable outcomes.

Firstly, the São Paulo Round of negotiations on the Global System of Trade Preferences among Developing Countries (GSTP) concluded with a milestone agreement to boost South–South trade by cutting tariffs by 20 per cent on at least 70 per cent of developing countries' dutiable products. Secondly, the Sixth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices affirmed the importance of promoting the use of competition laws and policies in enhancing domestic and international competitiveness, taking into account the prevailing conditions in the developing countries. It also underscored that a rigorous application of competition policy is a very important way of guaranteeing well-functioning markets, which in turn is a precondition for the efficient use of resources and for economic development and social well-being.

UNCTAD's work on trade and development issues provided perspectives on new-generation trade, services and competition policies, as well as environmentally friendly policies that are also pro-poor and generate employment. The international trading system has become multilayered in a multipolar world, with significant differences in development conditions among countries. In response to this changing economic landscape, our analyses examined how to better adapt the international trading system by providing policy space for structural transformation, diversification, job creation and sustainable development. We proposed an alternative developmental, cooperative and solidarity-based logic, reflecting the interdependent nature of the global economy.

Over 58 countries benefited from our aid for trade technical assistance and advisory services. Such assistance helped developing countries and transition economies to strengthen human, institutional and regulatory policies; to enhance supply capacities and competitiveness in goods and services; to participate effectively in multilateral and regional trade negotiations and agreements; to address non-tariff measures; to strengthen competition and consumer policies and institutions; and to take advantage of trade and investment opportunities.

In addition to continuing to implement our programme of work based on the Accra Accord, we see the need in 2011 for sound preparations for UNCTAD XIII, where a whole range of policy challenges need to be explored by member States in making the global development architecture work for the poor. In navigating through these dual priorities, we will continue to analyse areas that may open new development paths needed in the aftermath of the global crises. We look forward to making proposals for key debates in the global development community, in order to allow us to move forward with new alliances to address urgent development needs and to accelerate progress towards achievement of the Millennium Development Goals.

We count on the continued support of our member States in guiding us in our work.

Promoting the **Global System of Trade Preferences among Developing Countries**

The Global System of Trade Preferences among Developing Countries (GSTP) aims to stimulate trade between developing countries through a framework for preferential tariff concessions and other cooperative measures. UNCTAD continued in 2010 to provide substantive and technical support to GSTP member States in the negotiation and administration of the GSTP Agreement.

At the end of 2010, a milestone was achieved among developing-country parties to the GSTP as they reached an agreement to give a strong boost to South–South trade. This brings the São Paulo Round of GSTP negotiations, launched in 2004 during UNCTAD XI, to a successful conclusion. The São Paulo Round results helped broaden product coverage to 47,000 tariff lines, and deepened tariff cuts. The parameters of the tariff-cutting formula, agreed to in December 2009, consisted of slashing tariffs by 20 per cent on at least 70 per cent of dutiable products. An analysis carried out by UNCTAD's Global Trade Analysis Project shows that the results of the Round will induce a positive effect on participating countries, with a 3 per cent growth in their intra-group grade, and welfare and employment increases for all participants.

This will also provide significant benefits for the expansion of South–South trade, which now accounts for 20 per cent of global trade. By strengthening South–South economic and political relations, a less financialized, better regulated, and more resilient world economy can be fostered.

For more information on the Global System of Trade Preferences, please visit http://www.unctadxi.org/gstp.

Support on **trade policy and trade negotiations, including WTO accession**

UNCTAD continued to assist countries in reviewing and reforming their trade policies in support of sustained and inclusive development. In 2010, the organization assisted India in orientating its trade policy and trade negotiations towards integrating more pro-poor concerns and strengthening trade-supporting institutions to improve the incomes of poor artisans, farmers and fishermen through trade and trade-related policy actions.

UNCTAD also supported Geneva-based and capital-based trade negotiators and policymakers from developing countries in their preparations for multilateral trade negotiations under the WTO Doha Round. In particular, this assistance focused on modalities for agriculture and flexibilities for developing countries – including the special safeguard mechanism, non-agricultural market access (NAMA) and related non-tariff barriers, services, trade facilitation, rules, trade-related aspects of intellectual property rights (TRIPS), and development issues. This contributed to enhancing these countries' preparedness and technical capacities, with regard to technical issues under negotiation and related policy implications on development goals.

GSTP Negotiating Committee at the Ministerial Level in Foz do Iguaçu, Brazil, December 2010

Training on WTO accession for Syrian negotiators, Damascus, Syrian Arab Republic, March 2010

UNCTAD participated in and contributed substantively to the sixth session of the African Union Conference of Ministers of Trade in Kigali, Rwanda, from 29 October to 3 November 2010, via a report entitled "Trade liberalization, investment and economic integration in African regional economic communities towards the African common market and economic community". The ministerial meeting discussed and adopted several of UNCTAD's recommendations on consolidating and accelerating intra-Africa regional integration.

UNCTAD has been providing unique and innovative technical assistance support for WTO accession since the inception of WTO in 1995. In 2010, UNCTAD assisted 22 countries in negotiating or preparing their accession process. In addition, advisory services and capacity-building activities on WTO accession in 2010 were undertaken for Algeria, Azerbaijan, Bhutan, Cambodia, the Islamic Republic of Iran, the Lao People's Democratic Republic, São Tomé and Principe, Serbia, the Syrian Arab Republic and Yemen.

Services
trade and development

UNCTAD implements a comprehensive work programme on services, trade and development, to assist developing countries in developing their services sectors, increasing their participation in services trade, and realizing development benefits. UNCTAD has launched services policy reviews that provide beneficiary countries with the analysis necessary for making informed policy decisions for promoting a national services economy, including through reform, regulation, and progressive liberalization of service sectors at all levels. New services policy reviews are being conducted for Jamaica, Lesotho and Rwanda – building on the policy reviews already completed for Nepal, Kyrgyzstan and Uganda.

With regard to negotiations on services within regional groupings, UNCTAD supported the implementation of the COMESA Regulation on Trade in Services, adopted on 4 June 2009 by the Common Market for Eastern and Southern Africa (COMESA) Council of Ministers. UNCTAD also (a) collaborated with the COMESA Secretariat in drafting the negotiating guidelines for the COMESA Committee on Trade in Services; (b) provided an analysis of COMESA Member States' commitments and offers under GATS to enable a choice of sectors for further liberalization; and (c) prepared a draft model services schedule. The negotiating guidelines were adopted, the priority sectors were identified, and the exchange of offers and negotiations is ongoing. UNCTAD also assisted the Southern African Development Community (SADC) Secretariat, the SADC Trade Negotiation Forum, and SADC policymakers and trade negotiators, in undertaking services assessments and services negotiations regionally and multilaterally.

Did You Know?

Generating ideas to mitigate the impact of the global crisis on trade

UNCTAD held a number of intergovernmental policy deliberations which enabled member States to discuss innovative ideas and identify policy options for successful strategies to mitigate the financial and economic crises, to insulate countries from future crises, and to foster sustainable recovery in trade, economic growth and development. At the second session of the Trade and Development Commission in May 2010, participants, informed by UNCTAD's report "Successful trade and development strategies for mitigating the impact of the global economic and financial crisis", highlighted the need to more directly link trade and trade liberalization to achievement of the MDGs, employment creation, and poverty alleviation.

Celebrating the International Year of Biodiversity

UNCTAD's BioTrade Initiative works to stimulate trade and investment in biological resources in order to further sustainable development. In 2010, the BioTrade Initiative launched its support of the United Nations 2010 International Year of Biodiversity, starting with a high-profile business seminar entitled "Redefining Sustainability in the International Agenda: Inspiring Greater Engagement in Biodiversity Issues", which was organized jointly with Green2Greener, a non-governmental organization (NGO) based in Hong Kong, China. Participants discussed the role of governments, businesses and consumers in promoting and supporting biodiversity conservation and the sustainable use of natural resources. In particular, the seminar focused on the ecological options available to the fashion and cosmetics industries.

The seminar concluded with the EcoChic fashion show and the launch of a two-week-long exhibition celebrating sustainable fashion and accessories. The show featured over 50 dresses that were created and donated for the event by international fashion designers such as Diane von Furstenberg and Thakoon. The exhibition focused on how the fashion and cosmetics industries can contribute to biodiversity conservation and also provide social and economic benefits for communities in developing economies.

This feeds into UNCTAD's role in promoting greater engagement by businesses and consumers in ecological concerns, such as biodiversity. In 2010, the Initiative provided technical assistance and advisory services to biotrade programmes and partners in Colombia, Indonesia and Uganda on the biotrade concept and methodologies, project design and formulation, value chain development, market access, and financing.

To find out more about the BioTrade Initiative, please visit http://www.biotrade.org.

UNCTAD Deputy Secretary General Petko Draganov speaking to the EcoChic Fashion Show

EcoChic Fashion Show, 21 January 2010, Geneva, Switzerland

Trade and Environment Review 2009/2010: Promoting Poles of Clean Growth to Foster the Transition to a More Sustainable Economy

The Trade and Environment Review 2009/2010 offers an in-depth analysis of the root causes of the global financial and economic crises. The Review focuses on the more than 140 low-income countries and LDCs that have borne the brunt of these crises.

The Review identifies three areas of sustainable, green growth for low-income countries and LDCs. These include:

A - Enhancing energy efficiency, which is often implemented in combination with material and resource efficiency;

B - Mainstreaming sustainable agriculture, including organic agriculture; and

C - Harnessing the use of renewable energy for sustainable rural development.

These three clean growth poles can offer significant energy, material and resource-cost reductions, while also offering income-generation potential. However, developing countries will have to address the significant market barriers and inadequate policies that prevent the crowding of private capital in these profitable, socially attractive and environmentally sustainable investments.

To read more on the Trade and Environment Review 2009/2010, please visit http://www.unctad.org/en/docs/ditcted20092_en.pdf.

Addressing **the challenges of climate change**

UNCTAD's Climate Change Programme focuses on the trade and economic aspects of climate policies, biofuels, and the Kyoto Protocol's Clean Development Mechanism. A workshop, organized jointly by UNCTAD and the United Nations Economic Commission for Europe (UNECE), entitled "Climate Change Impacts on International Transport Networks", was held on 8 September 2010 in Geneva, Switzerland. UNCTAD's member States, as well as transport industry stakeholders, discussed the challenges that climate change and adaptation requirements hold for international transportation. The discussions at the workshop led to approval by the UNECE Inland Transport Committee, at its seventy-third session held in March 2011, for the establishment of an expert group to further study the impact of climate change and the related adaptation requirements.

In 2010, the UNCTAD Secretary-General, Dr. Supachai Panitchpakdi, accepted an invitation to be a member of the United Nations Secretary-General's High-Level Advisory Group on Climate Change Financing. The Advisory Group will draft practical proposals to boost both short- and long-term financing for climate change mitigation and adaptation strategies in developing countries.

For more information on UNCTAD's climate change programme, please visit http://www.unctad.org/climatechange

Adapting competition rules **to meet development and consumer welfare objectives**

The highlight of UNCTAD's work on competition law and policy in 2010 was the organization and servicing of the Sixth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices (the UN Set), pursuant to General Assembly resolution 61/186 (paragraph 19). The Conference, held on 8–12 November 2010 in Geneva, Switzerland, also marked the thirtieth anniversary of the adoption of the only fully multilateral framework on competition in existence that addresses restrictive business practices. The Conference reaffirmed the validity of the UN Set and of the related resolutions adopted by the previous five review conferences.

The resolution adopted by the Conference further strengthened implementation of the UN Set. The resolution also stated that a rigorous application of competition policy is very important in guaranteeing well-functioning markets, which in turn is a precondition for the efficient use of resources, economic development, and social well-being. The Conference also decided to embark on mapping out and further strengthening common ground among member States in the area of competition law and policy, and identifying anticompetitive practices that affect the economic development of countries. The seventh review conference will be convened by UNCTAD in 2015.

Wind farm off the Danish coast

Sixth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, 8–12 November 2010, Geneva, Switzerland

Taking a multi-stakeholder approach to solving commodity problems

In 2010, UNCTAD successfully launched the first Global Commodities Forum – to provide a platform for key stakeholders in the commodity economy to identify better solutions for commodity producers, intermediaries and consumers, and to develop smooth exit strategies when critical situations arise.

Speakers highlighted the difficulties that developing countries face in growing their economies and reducing poverty as a result of wild shifts in the price of oil and other raw materials. In this regard, the Global Commodities Forum examined how prices for oil, metals, and basic agricultural goods can be made more predictable and stable.

The Forum, held on 22–23 March 2010, generated practical recommendations aimed at, inter alia, addressing supply capacity limitations and access to finance, mitigating exposure to price volatility, ensuring the effective participation of commodity producers in value chains, and diversifying production.

For more information on the Global Commodities Forum, please visit http://www.unctad.org/gcf2011.

Enhancing the accountability and transparency of sustainability claims

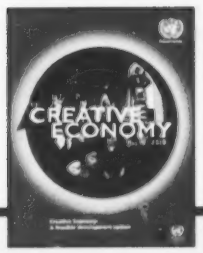
Given the proliferation of sustainable products in the marketplace, consumers are inundated with claims of products being "healthy", "organic", "fair trade" and "eco-friendly". To help ensure that these sustainability claims are credible, and to support transparent and reliable verification and certification methods, UNCTAD launched the Sustainability Claims Portal in July 2010. The Portal enables stakeholders in the agricultural supply chain to better understand, evaluate, and adjust to sustainability standards and claims. This will help to enhance the accountability and transparency of sustainability claims related to agricultural products and services.

The Sustainability Claims Portal provides information both to consumers in the European Union (EU) and to producers in the African, Caribbean and Pacific (ACP) Group of States on the requirements of various labels and standards that exporters must comply with in order to have access to the EU market. In 2010, the Sustainability Claims Portal enhanced awareness of certification standards with a two-day capacity-building workshop in Port Vila, Vanuatu; this officially launched the Portal in the Pacific region. Forty participants from selected Pacific Island countries, namely Papua New Guinea, Samoa and Vanuatu, attended the workshop, and in one of the agreed conclusions, recommended the Sustainability Claims Portal to integrate a regional dimension, as well as commodity-specific information on exports of interest to Pacific Island countries – such as coffee, cocoa, and coconut products – in the Sustainability Claims Portal.

For more information on the Sustainability Claims Portal, please visit http://www.unctad.org/scp.

Subregional Capacity-Building Workshop: Development of Agrifood Standards, VanuGAP and Pacific Organic Standards, and launching of the Sustainability Claims Portal, 30–31 March 2010, Port Vila, Vanuatu

Panel at the Global Commodities Forum, 22–23 March 2010, Geneva, Switzerland



Creative Economy Report 2010
Creative Economy:
A Feasible Development Option

Although the emerging creative economy has, in most advanced economies, become an important dimension for economic growth, employment, trade and innovation, and social cohesion, many developing countries are not yet able to harness their creative capacity for development. The Creative Economy Report 2010, produced jointly with UNDP, is the second report presenting the United Nations perspective on this innovative subject to assist governments in policy formulation to take greater advantage of the potential offered by the creative industries in developing countries.

The Report explores the options and opportunities for the creative industries in developing countries, to help them leapfrog into emerging high-growth areas of the world economy. In 2010, the Creative Economy Programme collaborated with several governments – including those of Argentina, Brazil, China, Chile, Greece, Portugal, Spain, Thailand and Turkey – on enhancing public policies and institutions with regard to their creative economies.

To read more on the Creative Economy Report 2010, please visit http://www.unctad.org/en/docs/ditctab20103_en.pdf.

Trade information – **trade databases, analytical tools and publications**

In 2010, UNCTAD strengthened its trade data and analytical tools, including its Trade Analysis and Information System (TRAINS) database, to assist the work of policymakers, trade negotiators, academics and civil society. By the end of 2010, the database contained tariff data and matching import statistics for 174 countries. UNCTAD's trade analysis tools, such as TRAINS and the joint UNCTAD–World Bank World Integrated Trade Solution (WITS) database, help to identify and address market-access barriers and trade opportunities, and to promote informed participation by developing countries in trade negotiations at multilateral and regional levels. A new web-based version of TRAINS-WITS was released in October 2010; over 2,000 licences to access the database were issued between October and December 2010, attesting to its relevance and usefulness.

To find out more about UNCTAD's Trade Analysis and Information System, please visit http://www.unctad.org/trains.

Facilitating information-sharing **in the natural resources sector**

UNCTAD signed a Memorandum of Understanding with the International Telecommunication Union to develop the technology needed to pioneer the Natural Resources Information Exchange, which was a major recommendation from the thirteenth Africa Oil, Gas and Minerals Trade and Finance Conference in 2009.

The objective of the Natural Resources Information Exchange is to facilitate information-sharing relevant to natural resources in Africa. Openly shared and more extensive information on mineral wealth can help African governments to better manage their natural resources, negotiate better terms for the extraction of these resources, and devise ways of channelling the benefits to work towards poverty reduction.

Six countries (Benin, Guinea, Guinea-Bissau, Mauritania, Mozambique and Nigeria) have opted to participate in the implementation phase of the Natural Resources Information Exchange and are currently undertaking diagnostic studies to identify bottlenecks in the dissemination of information in each country, with a view to revising existing systems and synchronizing them with the proposed platform.

Supporting trade work **in the African, Caribbean and Pacific (ACP) Group of States**

In 2010, UNCTAD implemented a project in supply chain finance, with funding from the European Union, and under the All ACP Agricultural Commodities Programme, to enhance access to markets, including market transparency, with a view to boosting farm incomes. This has enhanced the capacity of local financial institutions to develop appropriate financing instruments and mechanisms to meet the financing needs of key players in the agricultural value chain, particularly small-scale producers. The project also contributed to the improvement of agricultural commodity markets at regional and national levels, through the sharing of best practices, capacity-building, and the development of warehouse receipt systems linked to commodity exchanges.

WITS Training course in Arusha, United Republic of Tanzania in May 2010 for a group of young professionals from LDCs, organized by the Trade Policy Training Centre in Africa

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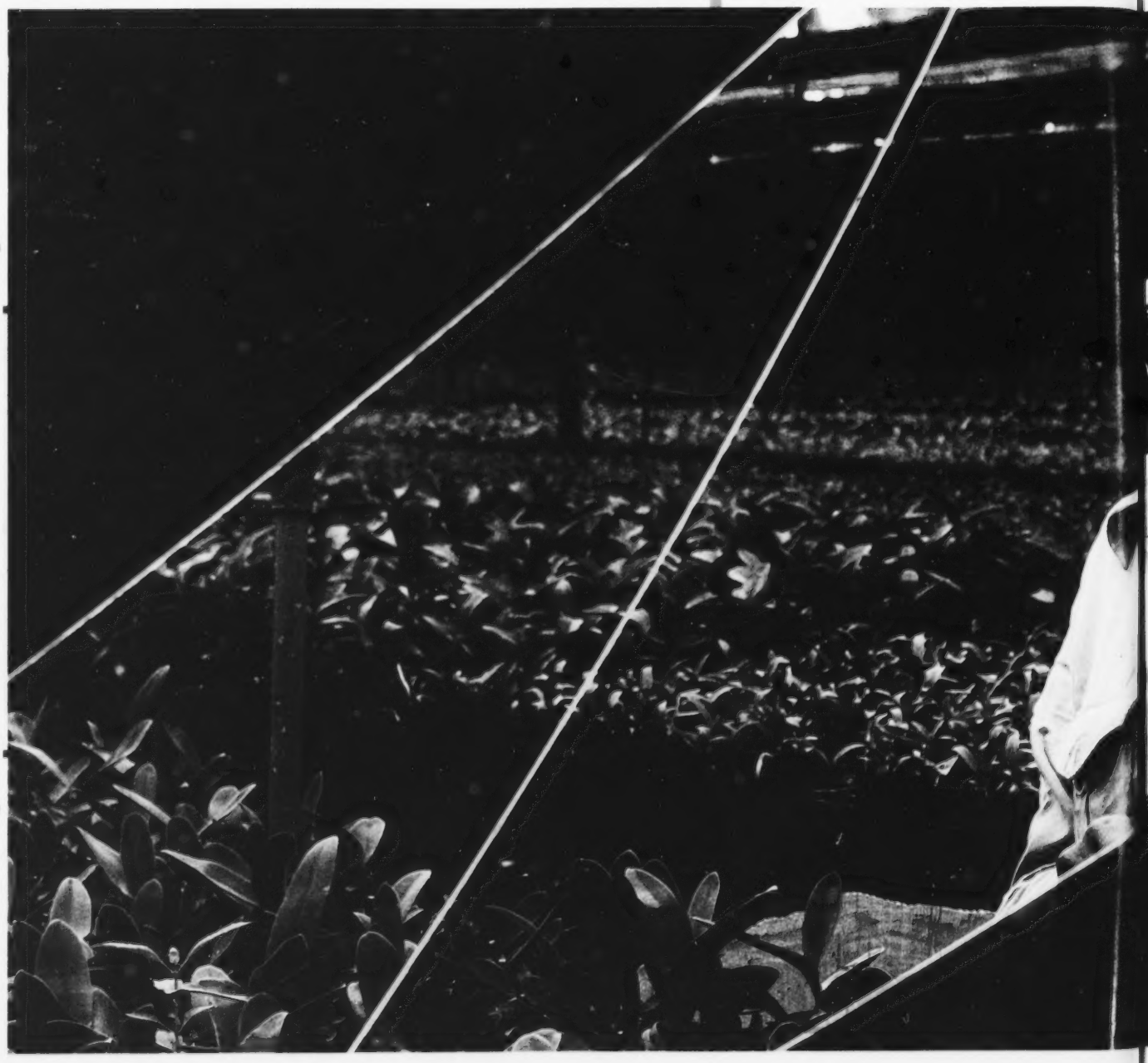
Enabling Productive **Capacities from Investment and Enterprise Development**



Message from the Director,
Division on Investment and Enterprise

Mr. James Xiaoning Zhan

2010 was a year marked by intensified efforts to promote sustainable investment and enterprises for development, especially in poor countries, and to mainstream the development dimension into the global investment policymaking process.

Our work has been consistently highlighted by key policymakers, major international organizations, and the worldwide media. Indeed, 2010 witnessed the reinforcement of UNCTAD's lead role in the world investment community.

Two significant achievements stand out in this regard. Firstly, the World Investment Forum, held in September 2010, provided an unprecedented opportunity for global political and business leaders and investment stakeholders to deliberate on how to promote sustainable investment and development in the new phase of globalization, and how to take advantage of opportunities that could arise across the globe. The Forum established itself as the new centre of gravity for open, universal, inclusive and high-level international investment discourse and policy formulation. Secondly, the World Investment Report 2010: Investing in a Low-Carbon Economy focused on the role that transnational corporations (TNCs) can play in moving towards sustainable low-carbon economic growth, especially in developing countries. As with previous editions, the policy analysis and recommendations of the 2010 report were well received by governments and businesses alike, and generated considerable public interest.

Both the World Investment Forum and the World Investment Report 2010 contributed significantly to increasing the attention paid to the interaction of investment policies with other public policies such as climate change and financial systems reforms. In this context, the main challenge is to find the right balance, nationally and internationally, in establishing rules and norms that ensure predictability, transparency and stability on the one hand, and that are flexible enough to serve sustainable development purposes on the other.

In terms of overall delivery throughout 2010, we organized some 60 conferences, meetings and special events, and conducted over 136 training course, seminars and workshops for a total of 2,350 participants. We also produced 71 publications, manuals, reports and papers; issued over 30 newsletters and press releases; and maintained nine e-networks and six databases. One hundred and forty-seven countries benefited from the Division's activities in 2010 – among them 37 LDCs, 23 LLDCs and 8 SIDS.

For 2011, we will be working hard on preparations for the substantive servicing of UNCTAD XIII in regard to investment and enterprise issue areas, and on preparation of the third World Investment Forum, which will be held in parallel to UNCTAD XIII. Other major challenges include contributing to LDC-IV; pioneering policy analysis on non-equity modalities of TNC activities, which will feature in the World Investment Report 2011 and fill an important policy gap; backstopping investment aspects of the G-20's Multi-year Action Plan on Development, including taking the lead in developing quantifiable indicators for economic value-added and job creation arising from private sector investment, and options for monitoring responsible agricultural investment in the context of food security; and conceptualizing an integrated investment–enterprise policy framework for productive capacity-building in developing countries.

World Investment Forum 2010 – a milestone event for the investment community

The UNCTAD World Investment Forum – a high-level, biennial, multi-stakeholder gathering – facilitates dialogue and action on the world's key and emerging investment-related challenges. The second World Investment Forum took place on 6–9 September 2010, in Xiamen, China.

Under the theme of "Investing in Sustainable Development", World Investment Forum 2010 aimed to foster a better understanding of the development challenges and opportunities that the post-crisis investment landscape entails. In that context, it also worked to formulate a new generation of national and international investment policies to bring about sustainable development and to help achieve the MDGs.

World Investment Forum 2010 brought together 1,800 participants, representing 120 countries and 16 international organizations, and included events such as the International Investment Agreements Conference and the High-Level Tripartite Conference.

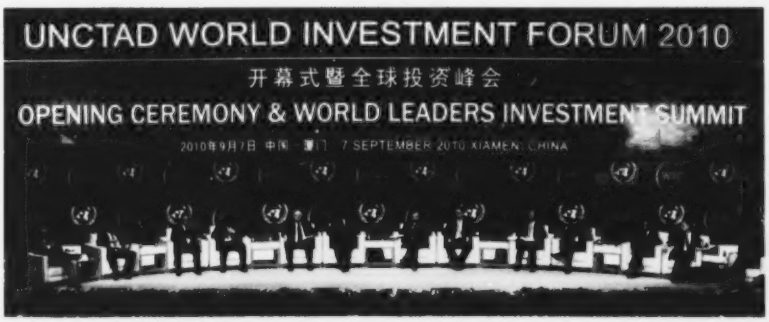
The International Investment Agreements Conference 2010 focused on the central development and systemic challenges facing the current regime of international investment agreements (IIAs) and its investor–State dispute settlement system. The Conference called for concerted international efforts to ensure that IIAs work for sustainable development. This can be achieved by bringing greater coherence to the international investment regime and helping to rebalance the rights and obligations of investors and States in newly concluded or renegotiated investment treaties.

During the High-Level Tripartite Conference, prominent issues were discussed relating to trends and prospects in international investment and new investment promotion strategies. The Conference brought together 400 investment stakeholders, including heads of investment promotion agencies, business executives and senior government officials from 90 countries. On this occasion, the UNCTAD Investment Promotion Awards, for excellence in the promotion of green investment, were presented to the three winners: (a) Copenhagen Capacity, from Denmark; (b) the Board of Investment of Mauritius; (c) and a joint award for InvestHK from Hong Kong SAR and the Shenzhen Municipal Government.

"The first World Investment Forum, sponsored by UNCTAD in 2008, played a positive role in improving the global investment environment and promoting investment cooperation. The theme of this year's forum, "Investing in Sustainable Development", meets the aspirations of countries in the world, developing countries in particular, for promoting economic development through foreign investment attraction, and contributes to the attainment of the United Nations Millennium Development Goals."

H.E. Mr. Xi Jinping, Vice-President, People's Republic of China

For further information on UNCTAD's World Investment Forum, please visit http://unctad-worldinvestmentforum.org.


UNCTAD WORLD INVESTMENT FORUM 2010
开幕式暨全球投资峰会
OPENING CEREMONY & WORLD LEADERS INVESTMENT SUMMIT
7 SEPTEMBER 2010 XIAMEN, CHINA

World Leaders Summit, 7 September 2010, World Investment Forum 2010, Xiamen, China

Dr. Supachai Panitchpakdi, Secretary-General of UNCTAD, with H.E. Mr. Xi Jinping, Vice-President of the People's Republic of China, at the World Investment Forum 2010

World Investment Report 2010: Investing in a Low-Carbon Economy

"UNCTAD recently issued its World Investment Report 2010, the latest in a highly regarded series of annual reports that tracks global trends in investment flows and stocks as well as international investment agreements, and studies the impact of foreign investment on developing nations."

H.E. Mr. Robert D. Hormats, Undersecretary of State for Economic, Energy and Agricultural Affairs, United States

The World Investment Report series examines emerging investment-related trends and policy issues in developing countries. The series marked its twentieth anniversary in 2010. World Investment Report 2010: Investing in a Low-Carbon Economy focused on the global move towards a low-carbon economy and the role that TNCs can play in supporting the transition of developing countries to such an economy. World Investment Report 2010 suggests that TNCs, by improving production processes in their operations and along their value chains, as well as by producing and marketing cleaner goods and services, can bring much-needed capital and leading-edge technology to global efforts in combating climate change. It also suggests a variety of strategies and measures in formulating and implementing national climate change mitigation strategies and action plans.

Governments and businesses alike commended the policy analysis and recommendations of the report. The focus on a low-carbon economy was deemed especially relevant and timely. Furthermore, World Investment Report 2010 received considerable support from participants at the fifty-seventh session of UNCTAD's Trade and Development Board and at other high-level international events such as the final preparatory conference for the 2010 United Nations Climate Change Conference (COP 16).

To read more of the World Investment Report 2010, please visit http://www.unctad.org/en/docs/wir2010_en.pdf.

Monitoring **investment trends and policies**

In order to assist developing countries in devising development-oriented policies, UNCTAD monitors the level, structure and evolution of investment, as well as the latest global developments in investment policymaking. During 2010, the Joint UNCTAD–OECD Report on G-20 Investment Measures was issued quarterly, in response to a request by G-20 leaders for public reports on their adherence to the commitments to forgo protectionism that had been made at previous summits. The most recent report, issued for the November 2010 G-20 summit in Seoul, Republic of Korea, indicated that G-20 countries had largely continued to refrain from investment protectionism. Furthermore, the Report found that the majority of newly adopted investment policy measures aimed at facilitating and encouraging investment flows.

UNCTAD also contributes to analysis of trends through its World Investment Prospects Survey. The 2010–2011 issue of the World Investment Prospects Survey, based on a survey of 236 TNCs and 116 investment promotion agencies (IPAs), provides an assessment of the global foreign direct investment (FDI) outlook for 2010–2012, with insights into specific trends to attract and benefit from FDI, and prospects by region and country. The survey shows that companies remain committed to expanding their presence abroad, and the survey results underline the attractiveness of developing countries for investment.

Contributing to **national investment policy reforms**

To allow developing countries to attract higher levels of FDI and to derive the largest development gains from them, UNCTAD conducts investment policy reviews (IPRs) to improve countries' investment framework, policies, and strategies. To date, IPRs have been completed for 30 countries, including 12 LDCs.

In 2010, IPRs of Belarus, Burundi, El Salvador and Sierra Leone were presented for intergovernmental peer reviews, in the presence of high-level delegations from the countries, UNCTAD's member States, and the business sector. At the most recent presentation, for the Investment Policy Review of Sierra Leone, the Minister of Finance and Economic Development, H.E. Mr. Samura Kamara, confirmed the commitment of his Government to creating conditions that will enable the private sector to flourish and become the main driver of job creation and sustainable development in the country.

H.E. Mr. Andrei Kobyakov, Deputy Prime Minister of Belarus, with Dr. Supachai Panitchpakdi, Secretary-General of UNCTAD, at the Investment Policy Review of Belarus intergovernmental presentation, 27 April 2010, Geneva, Switzerland

Did You Know?

The UNCTAD Manual on FDI Statistics is a unique reference tool to assist policymakers in compiling timely, accurate, and internationally comparable statistics on FDI and on the operations of TNCs. The three volumes of the manual deal with FDI flows and stocks, statistics on the operations of TNCs, and institutional issues in collecting and reporting FDI and TNC statistics.

Two IPR implementation reports, which assess the implementation of IPR recommendations, were completed in 2010, for Ethiopia and the United Republic of Tanzania. The reports showed that both countries had made good overall progress with implementation of their IPR recommendations. In Ethiopia, significant progress had been made in enhancing the business climate, particularly in the agriculture and leather sectors. For example, leather technicians had been trained in leather refining at the Leather and Leather Products Training Institute in Addis Ababa, and collaborations with the private sector to meet shortages in the leather sector were under way.

In the United Republic of Tanzania, noticeable gains had been made in improving the investment framework and reducing the cost of doing business. For example, the Tanzanian Government had passed a new Companies Act, which simplifies the procedures for opening a new business. Both reports provide additional recommendations on how to attract increased FDI to these countries.

In addition, UNCTAD, in 2010, provided assistance to nine developing countries – namely Burkina Faso, Burundi, Colombia, El Salvador, Ethiopia, Guatemala, Rwanda, the United Republic of Tanzania, and Zambia – for implementation of their IPR recommendations, as well as on how to deal effectively with issues related to investment promotion strategies, international investment agreements, business planning, and taxation.

For more information on UNCTAD's investment policy reviews, please visit http://www.unctad.org/ipr.

Helping developing **countries to better negotiate and implement international investment agreements**

The negotiation and implementation of IIAs remain major challenges for developing countries, in particular LDCs, as they work to integrate IIAs into their economic development policies. UNCTAD's work programme on IIAs aims to enhance understanding of key and emerging issues related to IIAs, their development dimension, and their interaction with other areas of public policy, such as climate change.

In 2010, UNCTAD delivered demand-driven assistance, seminars and workshops to 10 countries and four regional groups. These technical assistance activities enhance the capacity of developing countries to participate in negotiating and implementing investment treaties, and to manage investor–State dispute settlement cases. Nine in ten (90 per cent) of the participants from IIA training sessions indicated that the courses had contributed to improving their understanding of the key issues and implications of IIAs. UNCTAD also received official communications from policymakers acknowledging the contribution of its work to a better understanding of IIAs for development.

UNCTAD also continued to strengthen its network of IIA experts, to enhance the sharing of experiences and best practices on key and emerging issues related to IIAs. By the end of 2010, there were 1,350 registered members of the network of IIA experts, representing an increase of 30 per cent over the previous year.

To read more about UNCTAD's work programme on international investment agreements, please visit http://www.unctad.org/iia.

Developing accounting **and reporting standards**

As the only intergovernmental working group devoted to corporate transparency and accounting issues, the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) aims to improve the global comparability and the reliability of corporate reports.

The twenty-seventh session of ISAR, held in October 2010, addressed the issue of a capacity-building framework for high-quality corporate reporting. An important milestone was achieved with the agreement on a framework document on capacity-building. Delegates considered the key elements of a framework, including the legal and regulatory framework, the institutional framework, human capacity, and the capacity-building process, as well as approaches to assess and measure corporate reporting capacity at the country level. The finalized document will be presented at the twenty-eighth session of ISAR.

For further information on UNCTAD's activities in the area of accounting and reporting, please visit http://www.unctad.org/isar.

Enhancing **investment promotion efforts**

UNCTAD's work in the area of investment promotion and facilitation strengthens developing countries' capacity to create and manage the policy and institutional framework for attracting and retaining investment. During 2010, 104 investment promotion officials from 33 developing countries, including 18 LDCs, participated in UNCTAD's training activities in investment promotion. These activities helped participants understand the role of IPAs in fostering business linkages between medium-to-large companies and SMEs in order to enhance local productive capacities and build capacity in investment and export promotion; they also showcased best practices and experiences to encourage investment in the tourism sector.

An online training programme was developed as a result of high demand from developing countries for the training of diplomats in investment promotion. The programme is made up of audiovisual materials (including pre-recorded presentations), case studies, and tests. It will be launched in 2011.

E-tools help to increase **transparency and administrative efficiency**

UNCTAD promotes the application of existing, affordable solutions in order to reduce administrative barriers and improve administrative efficiency in developing countries. Rules and procedures that are transparent and simple are key to establishing an environment conducive for private-sector development.

To this end, UNCTAD helps governments facilitate business and investment through improved transparency and the simplification of administrative rules and

Twenty-seventh session of ISAR, 13–15 October 2010, Geneva, Switzerland

procedures, and through the introduction of e-government schemes.

The i-Portal provides both governments and investors with a convenient, efficient, transparent and valuable platform for promoting and attracting investment for development. As a component of the i-Portal, the e-Regulations system allows governments to present their business-related administrative procedures online, which improves their transparency. In 2010, e-Regulations was inaugurated in Cape Verde, Comoros, Costa Rica, El Salvador and Viet Nam, bringing the total number of countries with the system to 17.

The programme has been particularly successful in Viet Nam, where, as a result of the e-Regulations system, seven steps were eliminated from the procedures required for creating a business. In addition, these procedures have been made uniform from city to city. Furthermore, the regional system in Viet Nam allows for comparison across the three cities in which the system is active – Ho Chi Minh City, Ha Noi, and Da Nang. This gives business owners the opportunity to determine prospects in other locations. Stemming from the success of the system in three of its cities, Viet Nam has made a request for implementation in nine other cities. Colombia is also seeking to expand its implementation of the system, requesting that e-Regulations be implemented in four more cities. A further 15 countries have requested implementation of e-Regulations.

For more information on UNCTAD's e-Regulations system, please visit http://www.e-regulations.org.

Promoting the growth **of enterprises**

UNCTAD assists developing countries in promoting the growth of their enterprises, particularly SMEs, so that they are better able to compete in the global economy. The Empretec programme is a unique capacity-building programme that fosters entrepreneurial skills. In 2010, UNCTAD continued to strengthen and expand Empretec, with the installation of Empretec national centres in a further five countries, bringing the total to 32.

Based on the Empretec methodology, two joint projects in support of the MDGs were launched in 2010 in Panama and Viet Nam. UNCTAD, along with its partners, aims to strengthen the productive and entrepreneurial capacities of micro-entrepreneurs to improve their quality of

Participants, inauguration of eRegulations in Ha Noi, Viet Nam, 8 November 2010

life, through both projects. For example, during one of the six training workshops delivered in Panama in 2010, a micro-entrepreneur identified unprofitable products to eliminate from her inventory and adjusted pricing to cover her costs and earn revenue, after discovering she was losing $74 a month. Likewise, an Empretec training workshop helped a Vietnamese entrepreneur produce a business plan, which showed up weaknesses in her business to improve upon.

For more information on UNCTAD's Empretec programme, please visit http://www.empretec.net.

UNCTAD's Business Linkages Programme is a multi-stakeholder initiative that transforms linkages between SMEs and TNCs into sustainable business relationships. Business linkages between large firms and local SMEs help to distribute wealth and alleviate poverty, and aid smaller firms in integrating into the global economy. In 2010, the second phase of a pilot project in Mozambique worked with farmers, helping to increase their annual income from $300 to $700, on average. In Uganda, a programme that was begun with Toyota Uganda two years ago has helped five SMEs increase sales and capacity. For example, one of the SMEs in the programme increased its sales by more than 500 per cent, and its number of employees jumped from 2 to 32.

For more information on UNCTAD's Business Linkages programme, please visit http://www.unctad.org/enterprise.

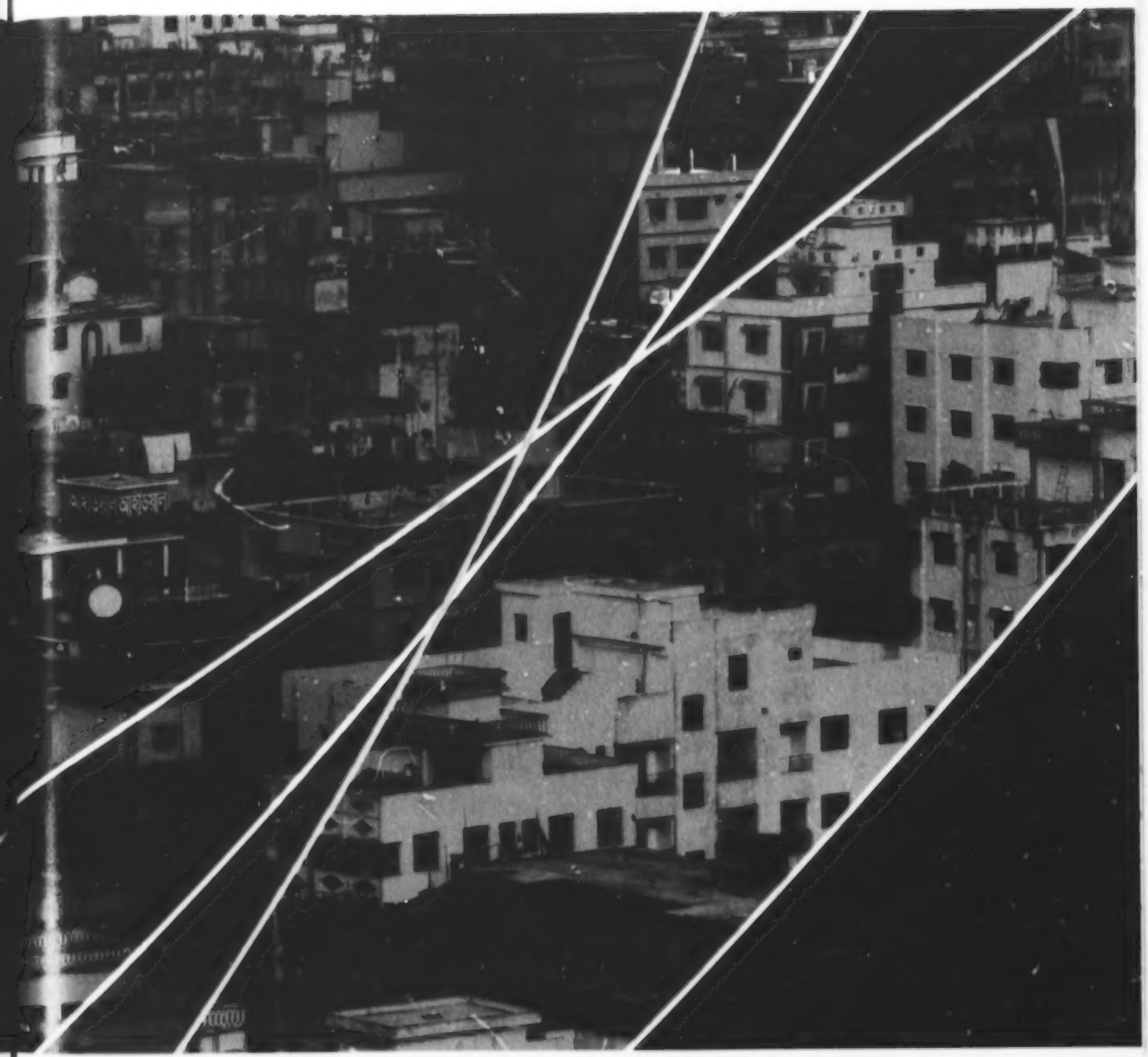
In 2010, UNCTAD provided assistance to six developing countries (Benin, Burkina Faso, Guinea, Mali, Mauritania and Senegal) as part of the e-Tourism Initiative. This initiative aims to strengthen developing countries' capacities at promoting their tourism product, and to dynamically match it to worldwide demand. The e-Tourism Initiative helps developing countries to maximize their comparative advantage in tourism, and to adjust their tourism services to suit their own development strategies and become better integrated in the world economy. For example, workshops, and the resulting post-workshop plans of action, lead to better coordination mechanisms among tourism stakeholders. This, combined with IT workshops to build knowledge in using IT tools, has helped Benin take the first step towards rejuvenating its institutional websites. In total, more than 200 public and private stakeholders participated in the capacity-building activities in 2010.

For further information on UNCTAD's e-tourism initiative, please visit http://etourism.unctad.org.

Participants, Empretec Training Workshop, Ecuador, January 2010

Participants, Empretec Training Workshop, Panama, December 2010

Modernising **Economies** 6



Message from the Director
Division on Technology and Logistics

Ms. Anne Miroux

UNCTAD supports the efforts of developing countries to strengthen their competitiveness and development prospects through technology and innovation, efficient trade logistics services, and capacity-building.

In 2010, we reinforced our activities in each of these areas to respond better to the needs of our beneficiaries, especially in view of the various global crises that have characterized recent years.

In the area of science, technology and innovation, particular attention was paid to analytical work addressing decision-makers. Bringing technology back to the centre of the development agenda is essential in order to meet the MDGs and other internationally agreed development objectives. In 2010, UNCTAD launched the first issue of the Technology and Innovation Report. In view of the food crisis experienced in many African countries, the Technology and Innovation Report 2010 was devoted entirely to the role of technology and innovation in agriculture on that continent. We also launched a new series entitled Current Studies on Science, Technology and Innovation, to raise awareness on key topics related to technology and innovation for development. The first issue covered renewable energy technologies for rural development, and provided a comparative analysis of seven countries. We will continue to pay particular attention to this topic as we approach Rio+20, for example by focusing on renewable energy technologies and development in the next Technology and Innovation Report. Future issues of the Current Studies on Science, Technology and Innovation series will focus on key topics such as innovative water management, gender and innovation, and the challenge of measuring the impact of information and communications technologies (ICTs).

In the course of 2010, UNCTAD focused on persistent as well as emerging global challenges for developing countries in trade logistics – especially transport, Customs, and trade facilitation. UNCTAD's technical assistance not only strengthened developing countries' capacities to implement trade facilitation reforms, but also to negotiate regional and multilateral commitments commensurate with their development needs and priorities. In the current context of debates on climate change, we have also been engaging in dialogues with experts and member States on transport and the climate-change challenge.

Finally, we continued to carry out many activities under our three capacity-building programmes, namely the Course on Key Issues on the International Economic Agenda (paragraph 166 course), which is one of UNCTAD's flagship training programmes; the Virtual Institute, which now has 55 member universities; and the TrainForTrade Programme, which includes a port training course that is active in 16 countries and is based on a solid network of ports, including some major European port partners whose active and expert contribution is highly appreciated by the Programme's other partners.

Technology and Innovation Report 2010: Enhancing Food Security in Africa Through Science, Technology and Innovation

In light of the heightened importance on the international agenda of technology for development, UNCTAD launched its first Technology and Innovation Report in May 2010. The Technology and Innovation Report 2010 focuses on the challenges of improving agricultural performance in Africa, and the role of science, technology and innovation (STI) in raising agricultural production as well as the incomes of all farmers, including smallholder farmers.

The Technology and Innovation Report 2010 argues that the main challenge that lies ahead is strengthening the innovation capabilities of African agricultural systems, in order to successfully address poverty, improve food security, and achieve broader economic growth and development.

The Technology and Innovation Report 2010 puts forward a number of policy recommendations, which include the following:

A - Policies should focus on smallholder farmers, so that agricultural research, development and extension services meet the real needs of small-scale farmers;

B - Strengthen policymaking capacities to create an environment conducive for agricultural innovation, and, to some degree, policy experimentation;

C - Reinforce agricultural innovation systems by focusing on the enabling environment and linking national, regional and international research to innovation;

D - Target agricultural investment by putting resources into the physical and scientific infrastructure, linkages, and stronger extension services;

E - Consider local agro-ecological conditions so that technologies are tailored to different agro-ecological zones and include appropriate and effective mixes both of low-, medium- and high-tech solutions as well as traditional knowledge and modern science; and

F - Reinforce capacity-building and international cooperation on technology transfer and technology sharing.

To read more from the Technology and Innovation Report, please visit http://www.unctad.org/en/docs/tir2009_en.pdf.

Strengthening science, **technology and innovation, and ICTs**

Responding to the growing interest in science, technology and innovation, UNCTAD prepares Science, Technology and Innovation Policy (STIP) reviews. These enable countries to identify policies and practices favouring capacity-building in STI activities, and to integrate them in their overall development policy. The reviews evaluate new and emerging science and technology trends and sectors that may bring economic opportunities, and they provide recommendations for policymakers.

In 2010, a new series of STIP reviews for Latin American countries began. These reviews, for the Dominican Republic, El Salvador and Peru, are being implemented in close cooperation with the Economic Commission for Latin America and the Caribbean.

In the Dominican Republic and El Salvador, the fact-finding missions and consultation processes held in 2010 allowed the various stakeholders to contribute inputs towards the formulation of an STI strategy, and to gain a heightened appreciation of government efforts to improve national STI capacity. The STIP review process in El Salvador is already contributing to other related policy processes taking place in the country, including the elaboration of a National Industrial Policy and a National Innovation Policy.

To read more about UNCTAD's Science, Technology and Innovation Policy reviews, please visit http://www.unctad.org/stip.

Improving the efficiency **of Customs management**

The Automated System for Customs Data (ASYCUDA) is a Customs management system designed for international trade and transport operations in a modern automated environment. Advanced software applications are developed which enable Customs administrations and the trade community to comply with international standards when fulfilling import, export and transit-related procedures.

The system is widely recognized as an efficient tool for trade development. In 2010, there were 67 operational ASYCUDA technical assistance projects, including 14 regional/interregional projects. ASYCUDA has been adopted by 38 out of 49 LDCs, with Djibouti signing on in 2010 for its first system implementation.

Throughout the year, the ASYCUDA central team continued to provide both in-country and remote technical assistance and support for system maintenance. UNCTAD staff or consultants conducted more than 300 advisory missions during 2010. In the spirit of South–South cooperation, experts from ASYCUDA-user countries carried out more than 60 per cent of these missions.

For further information on the ASYCUDA programme, please visit http://www.asycuda.org.

ASYCUDA risk management workshop in Nepal

ASYCUDA training in Liberia

Information Economy Report 2010: ICTs, Enterprises and Poverty Alleviation

UNCTAD's Information Economy Report 2010, one of the few publications that monitor global trends in ICTs as they affect developing countries, is a valuable reference tool for policymakers.

The Information Economy Report 2010 highlighted that, for the first time, there are realistic opportunities for people in remote locations in low-income countries to get connected via ICTs. Furthermore, farmers, fishermen, and micro-entrepreneurs in urban slums are adopting mobile phones as a key tool to advance their commercial activities, at a rapid rate. The poor are finding new livelihoods on the back of this trend. The Report stresses that policymakers should seize these new opportunities to leverage ICTs and enterprise to bring tangible benefits to the poor.

The Report concludes that the support of governments and development partners can help ensure that ICTs in enterprises make a stronger positive contribution to livelihoods and to poverty reduction. This is even more important given the need to make progress with regard to the MDGs.

"...the report does make for interesting reading – not least because it points out how much still needs to be done for [...] ICT to work its magic in poor countries."

The Economist Blog, 16 October 2010

To read more from the Information Economy Report 2010, please visit http://www.unctad.org/en/docs/ier2010_en.pdf.

Thirteenth session of the Commission on Science and Technology for Development

In 2010, UNCTAD continued to provide substantive servicing for the Commission on Science and Technology for Development (CSTD), a subsidiary body of ECOSOC. At its thirteenth session, held in May 2010, the CSTD undertook a five-year review of the progress made in the implementation of and follow-up to the outcomes of the World Summit on the Information Society at the regional and international levels. The CSTD considered two priority themes, namely (a) "Improvements and innovations in existing financial mechanisms"; and (b) "New and emerging technologies".

Based on the CSTD's deliberations, ECOSOC called on UNCTAD to significantly increase its efforts to conduct STIP reviews, in response to a high demand from member States, and to continue its research and analysis work on renewable energy technologies and STI policies. In another resolution adopted by ECOSOC, stakeholders are called upon to prioritize bridging the digital divide. These priority areas include sound strategies that contribute to e-government development, pro-poor ICT policies, and applications for access to broadband at the grassroots level.

Forum on "Better City, Better Life: Science, Technology, Innovation and Urban Future" at the 2010 World Expo

UNCTAD, in collaboration with the Ministry of Science and Technology of the People's Republic of China, the 2010 Shanghai World Expo Executive Committee, and the municipal government of Wuxi, organized the "Better City, Better Life: Science, Technology, Innovation and Urban Future" forum in June 2010 in Wuxi, China, parallel to the 2010 World Expo.

Participants at the Forum considered the role of STI in mitigating natural and man-made disasters and risks, and in meeting the challenges of energy access, environmental sustainability, waste management, water supply, sanitation, and urban transport.

The Forum provided a useful platform for sharing examples of best practice in making twenty-first century cities sustainable through STI. Participants pointed out that the threats of global climate change, and of water and energy shortages, required a new approach. Appropriate governance and international cooperation would be key to ensuring the sustainability of many cities in developing countries. The outcome of the Forum fed into the Shanghai Declaration, which pledged to build cities that established harmony between diverse people, between development and the environment, and between cultural legacies and future innovations.

Science, Technology, Innovation and Urban Future, 2010 World Expo Forum, 20–21 June 2010, Wuxi, China

Review of Maritime Transport

UNCTAD's annual Review of Maritime Transport reports on the evolution of global merchandise trade and maritime transport activities. It provides concise coverage of key issues and developments in the field, especially as they relate to developing countries. The Review of Maritime Transport 2010 covered issues in international seaborne trade; developments in the world fleet, including registration and ownership; ports and cargo throughput; and regulatory and legal developments in the field of transport and trade.

Economic and maritime transport developments in Asia and the Pacific were the focus of a special regional chapter in the Review of Maritime Transport 2010. In tandem with the market deceleration experienced by the region in 2009, merchandise exports fell significantly, by about 12 per cent, meaning there was less cargo to transport. This drove down freight rates, and prompted some shipowners to absorb capacity by slow steaming, laying up vessels, or using their vessels for storage. The situation was exacerbated by increases in the delivery of new ships, and the gap between supply and demand widened, with prices adjusting accordingly.

To read more of the Review of Maritime Transport 2010, please visit http://www.unctad.org/en/docs/rmt2010_en.pdf.

Strengthening research **and teaching capacities**

UNCTAD's Virtual Institute (Vi) continued to work with academic institutions in developing countries to strengthen their teaching and research capacities in trade and development and to increase the policy relevance of their work. Four universities, from Brazil, Cameroon, China and the Russian Federation, joined the Vi in 2010. This expanded the network to 55 universities from 32 countries – five of which are LDCs (Ethiopia, Mozambique, Senegal, Uganda, and the United Republic of Tanzania).

In 2010, the Vi provided advisory and curriculum support to universities in Senegal and the United Republic of Tanzania, and assisted Cairo University in Egypt in updating its graduate course on international economics. Five study tours were organized for students from member universities in the Caribbean and in China, Colombia, the Russian Federation and the United Republic of Tanzania, as were two shorter sessions for students of the World Trade Institute (Switzerland) and the University of Barcelona (Spain). The Vi also organized regional and national workshops for academics in African and Latin American LDCs, with a total of 186 participants in 2010. The Vi Fellowship Programme supported 15 developing-country academics to develop research projects on a wide range of trade and development topics. These efforts helped to advance and finalize research work in the area of trade and development.

For more information on the Virtual Institute, please visit http://vi.unctad.org.

Addressing the challenges **of the globalizing economy**

UNCTAD's Course on Key Issues on the International Economic Agenda is a unique platform for addressing many of the challenges that developing countries face. The Course provides an integrated treatment of international trade, finance, investment and technology, and of the links between these and development.

In 2010, two regional courses were held – in Baku, Azerbaijan, and in Beirut, Lebanon. In total, 37 participants from 17 countries received a comprehensive overview of how economic factors such as international trade, finance, investment and technology are related to one another; how they can impact positively on the economic and social development of countries; and how appropriate policies in these areas can bring gains from the globalized economy. Upon completion of the courses, the participants indicated that their knowledge of and capacity at policy analysis on international trade, economic and investment policies, the trading system, technology issues, and WTO negotiations, and the links between these and the macroeconomic framework, had improved.

Secretary-General of UNCTAD, Dr. Supachai Panitchpakdi (centre), with participants at the nineteenth Regional Course held in Baku, Azerbaijan, 19 July–6 August 2010

How to attract and embed FDI, nineteenth Regional Course in Baku, Azerbaijan

In addition, six short courses were held during 2010 to update Geneva-based policymakers on (a) migration and development; (b) trade agreements between developing and developed countries; (c) transport and trade facilitation; (d) the Millennium Development Goals; (e) living in a carbon-constrained future; and (f) South–South cooperation. A total of 178 delegates from 67 permanent missions located in Geneva – representing developing and developed countries as well as countries with economies in transition – participated in these courses. In the evaluations of the 2010 series of short courses, all participants felt that the courses had raised their awareness of trade topics, with 85 per cent stating that the presentations, debates, and materials received were directly useful for their work.

To read more about the Course on Key Issues on the International Economic Agenda, please visit http://p166.unctad.org.

Strengthening human **and institutional capacities for trade and investment**

UNCTAD's TrainForTrade programme contributes to capacity development via the dissemination in developing countries, especially LDCs, of knowledge related to international trade. In 2010, TrainForTrade delivered a total of 18 face-to-face and distance-learning courses; these reached 890 participants from 45 developing countries, including 12 LDCs. The courses covered topics such as modern port management, as part of the Port Training Programme; theory and techniques in negotiation; climate change and the carbon market; consumer protection; sustainable tourism; and legal aspects of e-commerce.

In 2010, the four-year TrainForTrade project in Angola continued its activities with several new courses developed in Portuguese. In Guinea – in cooperation with the International Trade Centre UNCTAD/WTO – the programme assisted in establishing a team of qualified trainers from several ministries and national institutions, by developing trade-related training capacities at the local level and by organizing a workshop on theories and techniques of negotiation.

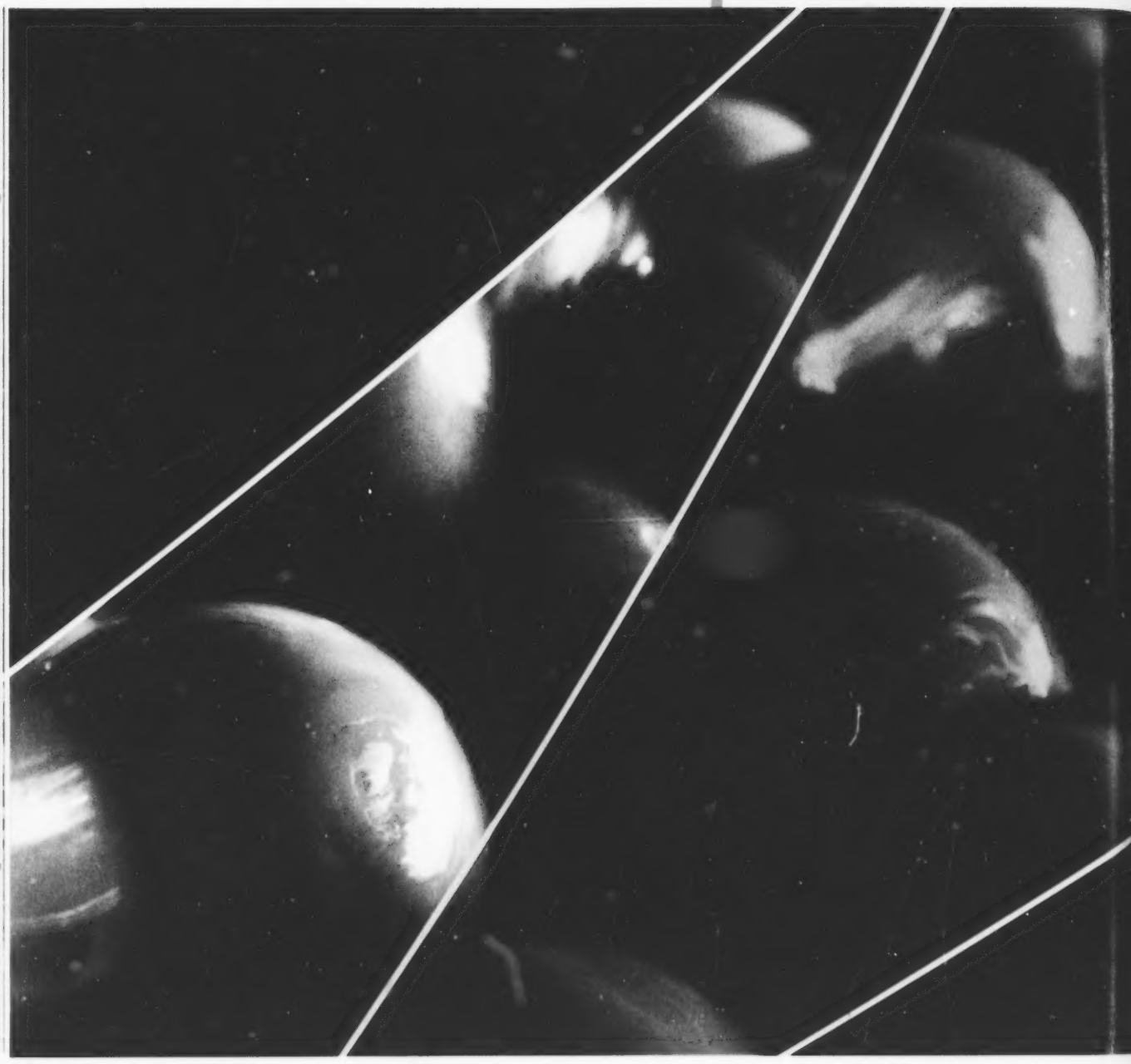
2010 was a year of significant progress for UNCTAD's activities in sustainable tourism. As part of the TrainForTrade programme, the following activities were undertaken in Africa: (a) a new training cycle on sustainable tourism for development was launched in Angola, to enhance policy dialogue and identify opportunities and weaknesses in the tourism sector; (b) a study tour was organized for representatives of the tourism sector in Benin; and (c) a training cycle on sustainable tourism was launched, jointly with the West African Economic and Monetary Union (UEMOA), helping to harmonize discussions on the regional UEMOA legal framework.

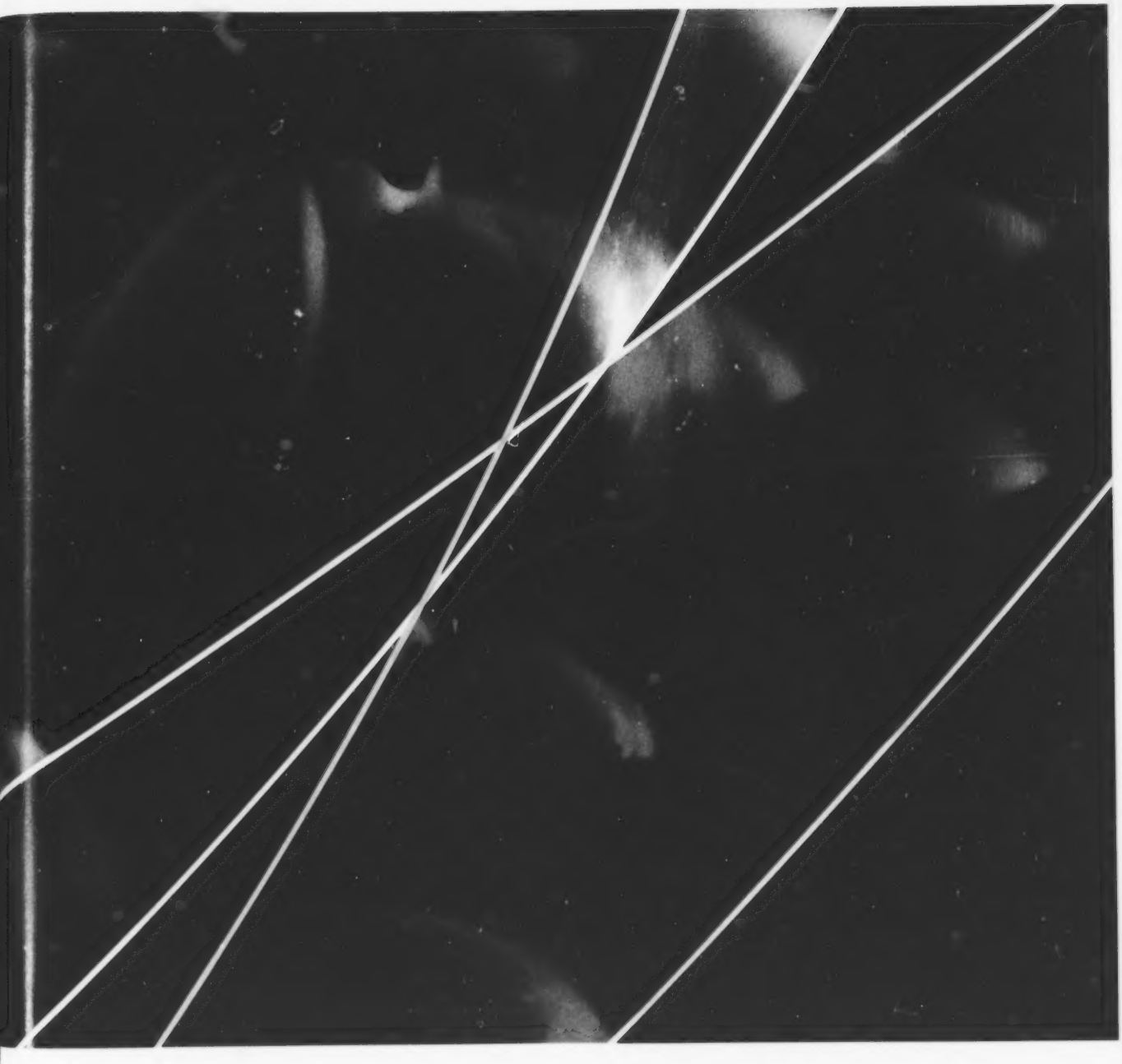
To read more about the TrainForTrade programme, please visit http://www.unctad.org/trainfortrade.

Port Training Programme in Angola

Port Training Programme in Angola

Annexes 7





Annex A. Objectives, expected accomplishments and indicators of achievement for the 2010–2011 biennium

Executive direction and management

Objective: To enable UNCTAD to be of further service to its member States and to ensure full implementation of the legislative mandates and compliance with United Nations policies and procedures with respect to the management of the programme of work and of staff and financial resources

Expected accomplishments	Indicators of achievement	Performance measures	Actual performance in 2010	
Increased recognition by member States of the relevance of the work of UNCTAD	Number of member States represented at the annual sessions of the Trade and Development Board	125 member States	104 member States	↓
Mandates are effectively implemented	(i) Full implementation of recommendations arising from evaluations endorsed by UNCTAD intergovernmental bodies within established deadlines	100 per cent implementation	75 per cent implementation	↓
	(ii) Percentage of Accra Accord mandates implemented or under implementation	100 per cent implementation*	100 per cent implementation	✓
Improvement in the mainstreaming of gender perspective in the work of UNCTAD	(i) Increased number of initiatives mainstreaming a gender perspective in the work of UNCTAD	10 initiatives*	6 initiatives	✓
	(ii) Increased percentage of women benefiting from UNCTAD activities	40 per cent of participants at UNCTAD training courses, seminars and workshops are female*	30 per cent of participants at UNCTAD training courses, seminars and workshops are female	✓
Programme of work is effectively managed	(i) Efficient and effective utilization of resources in accordance with United Nations policies and procedures	98 per cent expenditure compared to funds available*	*Measured at the end of the biennium*	
	(ii) Timely delivery of output and services	91 per cent of the planned outputs delivered*	41 per cent of the planned outputs delivered	↓
Timely recruitment and placement of staff	Reduction in average number of days that a Professional post remains vacant	120 days	257 days	↓
Improved geographical representation and gender balance of staff	(i) Increased percentage of staff recruited from un- and under-represented member States in UNCTAD	8 per cent	43 per cent	↑
	(ii) Increased percentage of women at the Professional level and above for appointments of one year or more	50 per cent	30.5 per cent	↓
Increased timeliness of submission of documentation	Increased percentage of pre-session documents submitted in accordance with the required deadline	90 per cent submitted on time	96.2 per cent submitted on time	↑

Legend: ↑ above target; ↓ below target; ✓ on target; * performance target for the biennium

Subprogramme 1 - Globalization and development strategies

Objective: To promote economic policies and strategies at the national, regional and international levels that are supportive of sustained growth, inclusive and sustainable development, employment creation, and hunger and poverty eradication in developing countries, especially the least developed countries, based on increased gains from globalization, against a background of the increasing interdependence of international trade, investment and financial policies and arrangements and national development strategies

Contribute within its mandate to increased understanding of the global economic environment and of policy choices at the national and international levels, including with respect to South–South cooperation, as a complement to North–South trade and economic cooperation, as a result of policy advocacy	(i) Increased number of responses from member States to readership surveys	70 responses*	37 responses	✓
	(ii) Increased number of member States reporting a better understanding of policy choices at the national and international levels based on UNCTAD research	40 member States*	30 member States	✓
Progress towards a durable solution to the debt problems of developing countries by fostering better understanding at all levels of the interplay between successful development finance strategies and effective debt management	(i) Number of institutions/countries using the capacity-building services of the Debt Management and Financial Analysis System (DMFAS) programme	103 institutions, 66 countries	104 institutions, 67 countries	↑
	(ii) Number of international and national policy positions and initiatives in the area of debt and development finance incorporating contributions from UNCTAD and number of countries assisted by UNCTAD through the DMFAS having improved external debt positions as measured by stable or decreasing external debt to gross national product ratio, recognizing that many factors have an impact on this indicator	23 international and national policy positions and initiatives;* 19 countries*	19 international and national policy positions and initiatives; 39 countries	✓
Improved empirical, and reliable and timely statistics for decision-making at the national and international levels on economic policies and development strategies, including on South–South cooperation	(i) Number of increased statistical variables and derived indicators developed and maintained by UNCTAD Central Statistical Service	240 increased statistical variables and derived indicators*	*Measured at the end of the biennium*	
	(ii) Number of institutions using UNCTAD statistical data on trade, financial and economic policies	1,700 institutions*	*Measured at the end of the biennium*	
Improved policy and institutional capacities, and enhanced international cooperation for the recovery and sustained development of the Palestinian economy	Number of Palestinian development initiatives and institutions benefiting from UNCTAD research findings, recommendations and technical cooperation activities	10 initiatives/ institutions*	5 initiatives/ institutions	✓

Legend: ↑ above target; ↓ below target; ✓ on target; * performance target for the biennium

Subprogramme 2 – Investment and enterprise development

Objective: To assure developmental gains from increased international investment flows to all developing countries, in particular those in Africa and the least developed countries, as well as landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies, and from an enhanced enterprise sector and increased international competitiveness in those economies

Expected accomplishments	Indicators of achievement	Performance measure	Actual performance in 2010	
Increased understanding of various key public and private investment issues and of the impact of foreign direct investment (FDI) on development, as well as of related policies that could promote development gains from FDI	(i) Increased number of policymakers and other stakeholders responding to evaluation surveys and reporting a better understanding of public and private investment issues	160 stakeholders*	138 stakeholders	✔
	(ii) Increased number of policymakers reporting that they have implemented policy recommendations and utilized methodology provided by UNCTAD in the area of international investment	25 policymakers*	11 policymakers	✔
Increased ability to create an environment conducive to attracting and benefiting from investment for development	(i) Number of countries that have benefited from UNCTAD assistance, including investment policy reviews, reporting increased FDI and increased benefits from it, with the recognition that many factors have an impact on this indicator	25 countries*	17 countries	✔
	(ii) Number and percentage of developing countries that have benefited from UNCTAD assistance recording improved performance based on benchmark indicators	20 countries;* 60 per cent*	17 countries; 61 per cent	✔
Increased understanding of key and emerging issues related to international investment agreements and their development dimension and enhanced capacity in negotiating and implementing investment treaties and managing investor–State disputes	(i) Improved understanding of key and emerging issues related to international investment agreements and their development dimension and examination of the effects of those agreements, as reflected in various types of feedback from policymakers and negotiators	120 stakeholders reporting improved understanding*	92 stakeholders reporting improved understanding	✔
	(ii) Enhanced capacity of member States to participate in negotiating and implementing investment treaties and managing investor-State disputes, as reflected in various types of feedback from policymakers and negotiators	40 communications*	21 communications	✔
Enhanced understanding and capacity to develop policies aimed at: (i) stimulating enterprise development and business facilitation; (ii) establishing a sound and internationally recognized accounting and reporting framework; (iii) establishing competitive and well-regulated insurance markets; and (iv) increased understanding of instruments and practices regarding corporate social responsibility	(i) Increased number of countries indicating that UNCTAD policy measures and tools are useful and effective in the design of policies aimed at strengthening the competitiveness of their firms	25 official communications/statements received from beneficiary countries*	19 official communications/ statements received from beneficiary countries	✔
	(ii) Increased number of policymakers and practitioners using guidance and tools developed by UNCTAD in the areas of accounting, insurance, business facilitation and corporate reporting	100 policymakers and practitioners*	62 policymakers and practitioners	✔

Legend: ↑ above target; ↓ below target; ✔ on target; * performance target for the biennium

Subprogramme 3 – International trade in goods and services, and commodities

Objective: To ensure the effective, qualitative and beneficial participation of all countries, in particular developing countries, with enhanced work on the special problems of Africa, the least developed countries, landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies, in international trade and the trading system and to strengthen the contribution of the commodity economy to development in order to make trade a positive force for all

Expected accomplishments	Indicators of achievement	Performance target	Performance in 2010	✓
Strengthened capacity of developing countries and countries with economies in transition to integrate beneficially into the global economy and the international trading system, including trade in services, and to design and implement trade policies and participate effectively and coherently in bilateral, regional (including South–South) and multilateral trade negotiations, placing greater emphasis on practical solutions	(i) Number of countries increasing their participation in trade negotiations through the submission of trade negotiating proposals in bilateral, regional and multilateral trade negotiations, including South–South trade negotiations and World Trade Organization accession processes, and the number of countries with which UNCTAD has worked that have built relevant institutional and human resources capacities	40 countries*	38 countries	✓
	(ii) Number and percentage of developing countries that have benefited from UNCTAD assistance recording improved performance based on benchmark indicators	15 countries;* 15 per cent*	14 countries; 14 per cent	✓
Further improve and disseminate analytical tools, such as the Trade and Development Index, and databases and software, such as the Trade Analysis and Information System (TRAINS) or the World Integrated Trade Solution (WITS), contributing to trade and trade-related decision-making, including in addressing the trade and development impact of non-tariff barriers	(i) Number of active users of TRAINS, either through the Internet or WITS, and of the Agriculture Trade Policy Simulation Model, non-tariff measures, dynamic sector database	40,000 users*	39,000 users	✓
	(ii) Increased number of specific actions/ initiatives taken by member States to reduce or eliminate the use of non-tariff barriers in international trade	5 actions/ initiatives*	3 actions/ initiatives	✓
	(iii) Number of countries whose performance is measured by the Trade and Development Index and its analytical/ diagnostic framework	130 countries	130 countries	✓

Legend: ↑ above target; ↓ below target; ✓ on target; * performance target for the biennium

Expected accomplishments	Indicators of achievement	Performance measures	Actual performance in 2010	
Improved capacity of commodity-dependent developing countries to harness development gains from the current boom in commodity prices and enhanced international cooperation within the mandate of UNCTAD to address trade and development problems associated with the commodity economy, including the food crisis and poverty reduction	(i) Number of commodity-dependent countries adopting specific policy measures at all levels, and all participants in the commodity sector promoting and improving transparency and accountability and harnessing development gains from the current boom in commodity prices, with the recognition that many factors have an impact on this indicator	10 countries	12 countries	↑
	(ii) Number of commodity-dependent countries which UNCTAD has assisted in their efforts to integrate commodity strategies into their national development plans; number of studies, technical cooperation activities and consensus-building meetings undertaken by UNCTAD to promote international cooperation in addressing trade and development opportunities and challenges associated with the commodity economy	5 countries; 61 studies, technical cooperation activities and consensus-building meetings*	3 countries; 25 studies, technical cooperation activities and consensus-building meetings	✓
Created capacities of developing countries and countries with economies in transition to prepare and implement national and regional (including South–South) competition laws and frameworks that reflect prevailing conditions for achieving domestic and international competitiveness, and enhanced international cooperation for better implementation of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, in particular section F	(i) Number of countries establishing or revising, and implementing national and/ or regional (including South–South) competition laws and institutional frameworks	13 countries	13 countries	✓
	(ii) Number of voluntary consultations as envisaged in section F of the United Nations Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices	4 voluntary consultations*	3 voluntary consultations	✓
Strengthened capacity of developing countries to formulate and implement mutually supportive trade, environment and sustainable development objectives and to integrate sustainable development objectives in development strategies at all levels	(i) Number of countries that are developing and implementing policies, plans, programmes and normative initiatives and setting up inter-agency mechanisms with a view to taking advantage of trade and investment opportunities while promoting their sustainable development objectives as a result of UNCTAD policy analysis and advice	40 countries*	35 countries	✓
	(ii) Increased participation of developing countries in the BioTrade and Biofuels initiatives	20 developing countries participating in UNCTAD BioTrade and Biofuels initiatives*	17 developing countries participating in UNCTAD BioTrade and Biofuels initiatives	✓

Legend: ↑ above target; ↓ below target; ✓ on target; * performance target for the biennium

Subprogramme 4 – Technology and logistics

Objective: To enhance the economic development and competitiveness of developing countries, in particular the least developed countries, landlocked developing countries and countries with economies in transition, through efficient trade logistics services, transit transport systems, strengthened capacity to develop, increased access to and sustainable utilization of technology and knowledge, including information and communications technology, and training and capacity-building programmes for local institutions

Expected accomplishments	Indicators of achievement	Performance target	Actual performance	
Improved efficiency of trade logistics of developing countries through, inter alia, strengthening of management of transport operations, coherent transit systems and trade facilitation, development and implementation of appropriate institutional and legal frameworks, and active participation of developing countries in transport and trade facilitation negotiations	(i) Increased number of specific actions taken by developing countries to cut transport and transaction costs, improve effective transit systems, transport efficiency and connectivity, establish a supportive legal framework and promote efficient trade facilitation measures	20 new actions*	12 new actions	✓
	(ii) Increased number of countries using the Automated System for Customs Data (ASYCUDA) and reporting on consequent improvements in the management of their Customs administration	10 new countries*	6 new countries	✓
	(iii) Number and percentage of developing countries that have benefited from UNCTAD assistance recording improved performance on benchmark indicators, with the recognition that many factors have an impact on this indicator	10 new countries;* 20 per cent of new ASYCUDA users reporting improved Customs transaction costs and times*	8 new countries; *Measured at the end of the biennium*	✓
Improved awareness and adoption of national and international policies in the area of science, technology and innovation, as well as information and communications technologies, notably to respond to technological changes, implement effective domestic innovation policy, support transfer and diffusion of technology, and strengthen North–South and South–South cooperation in harnessing knowledge and technology for development, including through capacity-building, as agreed in the outcomes of major United Nations conferences and summits	(i) Increased number of specific actions or policy measures taken by developing countries to implement programmes to enhance the contribution to development of science, technology and innovation, and information and communications technology, as a result of policy advice and assistance by UNCTAD, including in the context of policy reviews	28 new actions/ measures*	10 new actions/ measures	↓
	(ii) Increased number of cooperation initiatives at the subregional, regional and international levels, in the area of science and technology and information and communications technology	20 new initiatives*	10 new initiatives	✓
Enhanced support to the Economic and Social Council Commission on Science and Technology for Development to fulfil its mandates, including the follow-up to the outcomes of the World Summit on the Information Society	High-level participation in sessions of the Commission on Science and Technology for Development and adoption of national and international measures on science and technology arising from Economic and Social Council resolutions	10 new actions adopted*	4 new actions adopted	✓

Legend: ↑ above target; ↓ below target; ✓ on target; * performance target for the biennium

Expected accomplishments	Indicators of achievement	Performance measures	Actual performance in 2010	
Enhanced knowledge and capacities in developing countries in the areas of trade and investment and interrelated issues, through cross-divisional capacity-building programmes providing research, teaching and training to local institutions in developing countries	Increased number of specific actions taken by developing countries to strengthen capacities of human resources and local institutions in the areas of trade and investment, and interrelated issues, as a result of UNCTAD assistance	15 new actions *	8 new actions	✓
Capacity-building in e-tourism	Number of countries that have benefited from UNCTAD assistance on e-tourism reporting improvement in the management and promotion of the tourism sector	5 official communications/ statements received from beneficiary countries indicating an improvement in the management and promotion of their tourism sector	5 official communications/ statements	✓

Subprogramme 5 – Africa, Least Developed Countries, and Special Programmes

Objective: To promote economic development and poverty reduction in Africa, the least developed countries and other groups of countries in special situations (landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies), and their progressive and beneficial integration into the global economy, in particular through national policies and international support measures which build productive capacities, including by assisting them in integrating trade into the United Nations Development Assistance Frameworks. UNCTAD will also contribute, within its mandate, to the implementation and follow-up to the outcomes of relevant global conferences and to the achievement of internationally agreed development goals, including those contained in the Programme of Action for the Least Developed Countries for the Decade 2001-2010. In order to identify policy options at the national and international levels on the use of trade as a more effective tool for poverty eradication, UNCTAD will undertake research activities on the interlinkages between trade and poverty and training and capacity-building programmes for local institutions

Expected accomplishments	Indicators of achievement	Performance measures	Actual performance in 2010	
Increased range of national and international policy choices to promote African development in the areas of expertise of UNCTAD	(i) Number and percentage of member States that have endorsed policy recommendations put forward by UNCTAD, as demonstrated by statements at various UNCTAD intergovernmental meetings	55 endorsements;* 35 per cent*	29 endorsements; 19 per cent	✓
	(ii) Increased number of policymakers reporting that they have adopted policy recommendations and utilized methodology provided by UNCTAD in the area of African development	7 reports of adoption of policy recommendations and/or utilization of methodology provided by UNCTAD*	*Measured at the end of the biennium*	

Legend: ↑ above target; ↓ below target; ✓ on target; * performance target for the biennium

Expected accomplishments	Indicators of achievement	Performance measures	Actual performance in 2010	
Increased analytical understanding and consensus in the global economy of the development problems of the least developed countries	(i) Number and percentage of member States that have endorsed policy recommendations put forward by UNCTAD, as demonstrated by statements at various UNCTAD intergovernmental meetings	55 endorsements;* 35 per cent*	22 endorsements; 14 per cent	↓
	(ii) Increased number of policymakers reporting that they have adopted policy recommendations and utilized methodology provided by UNCTAD in the area of least developed country development	7 reports of adoption of policy recommendations and/or utilization of methodology provided by UNCTAD	7 reports of adoption of policy recommendations and/or utilization of methodology provided by UNCTAD	✓
Better integration of trade policies and priorities in the national development plans through, inter alia, the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries	Number of least developed countries that have made progress in mainstreaming trade policies and priorities in their national development plans, and have implemented the action matrices of the Enhanced Integrated Framework, with the recognition that many factors have an impact on this indicator	12 countries*	5 countries	✓
Greater resilience, through action, to reduce handicaps and enhance the diversification of structurally weak, vulnerable and small economies, in particular small island developing States, within the framework of the 2005 Mauritius Strategy	Number of countries (small island developing States and other structurally weak, vulnerable and small economies) in which or for which measures aimed at achieving greater resilience have been taken by policymakers and/or development partners, in part or entirely as a result of UNCTAD actions	5 countries*	4 countries	✓
Improvement in the effective participation of landlocked developing countries in the global trading system and foreign direct investment flows owing to analytical work, advisory services and technical cooperation undertaken within the framework of the Almaty Programme of Action	Number of landlocked developing countries that have achieved some progress in their trade patterns and in attracting foreign direct investment flows, in part or entirely as a result of UNCTAD actions	8 countries*	1 country	↓

Legend: ↑ above target; ↓ below target; ✓ on target; * performance target for the biennium

Annex B. Supporting capacity-building in 2010

In 2010, UNCTAD implemented some 242 projects in more than 70 countries, with annual expenditures of nearly $39.2 million, an increase of 1.1 per cent over 2009. These included interregional, regional and country-specific projects. LDCs accounted for 34 per cent of these expenditures.

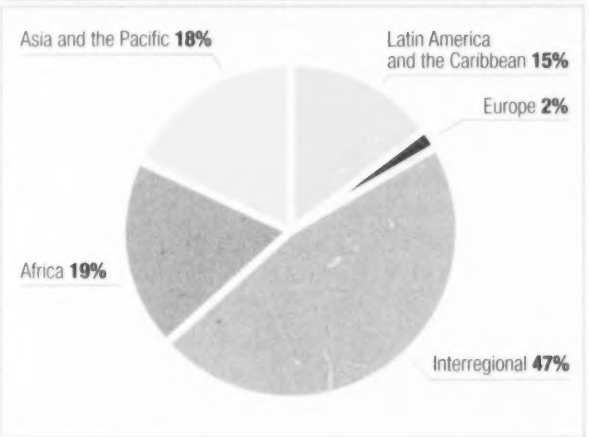
The process of consolidation and rationalization of its project-based trust funds continued, in consultation with major donors, within the 17 established thematic clusters, corresponding to UNCTAD's main areas of work.

Voluntary contributions to UNCTAD technical cooperation trust funds
(member States, public donations and financing from United Nations organizations), 2010
(in thousands of dollars)

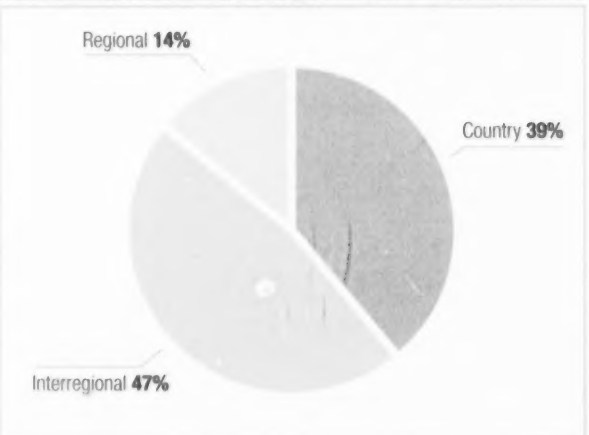
United Kingdom	2 962
Switzerland	2 560
Netherlands	2 022
Norway	1 639
Syrian Arab Republic [a]	1 537
Finland	1 372
Sweden	1 155
Germany	1 082
Lao People's Democratic Republic [a]	799
Sri Lanka [a]	600
Jordan [a]	572
Democratic Republic of the Congo [a]	515
Other developed countries	1 092
European Commission	3 628
Developing countries and countries with economies in transition [b]	5 430
International organizations financing	3 150
Contributions from other sources	624
TOTAL	30 739

a Self-financing for ASYCUDA.
b This represents mainly funding for UNCTAD technical cooperation activities in their own countries, including those financed by other sources of development assistance.

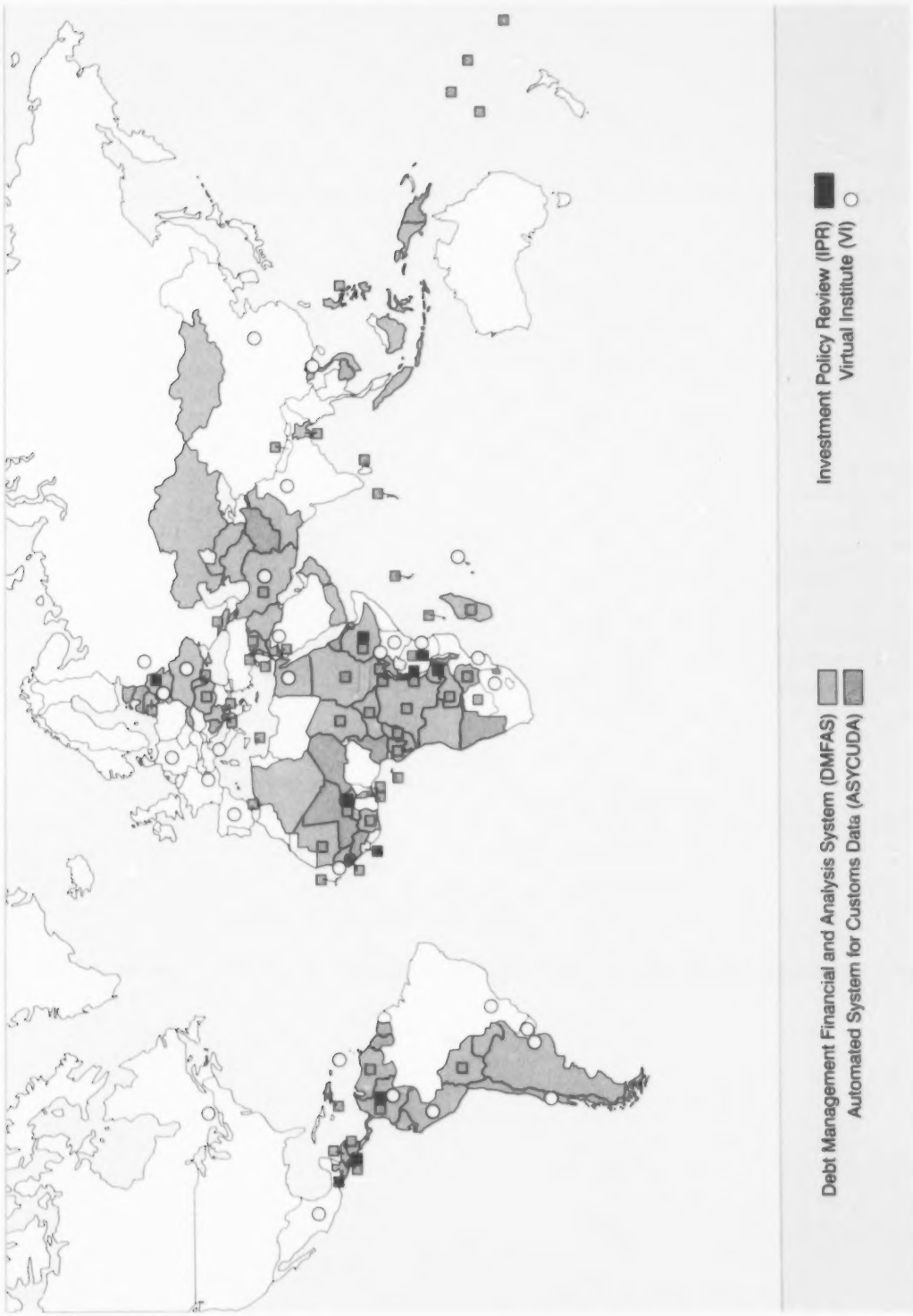
Technical cooperation expenditures, by region, 2010
(percentage of total project expenditures)



Technical cooperation expenditures, by type of project, 2010
(percentage of total project expenditures)



Annex C. Map of selected UNCTAD technical cooperation programmes implemented in 2010


Debt Management Financial and Analysis System (DMFAS)
Automated System for Customs Data (ASYCUDA)
Investment Policy Review (IPR)
Virtual Institute (VI)

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